

Grand Strategy and Strategic Surprise



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PREFACE: AUTHOR'S STATEMENT

Throughout a professional career that goes back over 40 years, I have been asked by superiors and colleagues to think, write, and speak about the future.

In the 1970s, working for First National City Bank of New York (later renamed Citibank) in Saudi Arabia, I wrote the bank's first political elite analysis, assessing the Saudi royal family's prospects for survival. In the late 1970s and 1980s, while serving as a staff member in the U.S. Senate, I was regularly asked to write about the direction of change in the Middle East and Soviet Union. In the 1990s, as director of the Asia Foundation's Center for Asian Pacific Affairs, I focused on China's prospects after the Tiananmen Square crackdown. From 1999 to 2009, my colleague at Georgetown University, Dr. Chester Crocker, and I directed a standing working group entitled the Schlesinger Working Group on Strategic Surprise, which focused on anticipating contingencies that could adversely (or even positively) affect U.S. interests. I also helped run, for the U.S. intelligence community (IC), an annual two-week training program for senior IC officers, which centered on anticipating future challenges to the IC and the United States.

These experiences prepared me for what turned out to be my dream job as director of the Long Range Analysis Unit—later renamed Strategic Futures Group—of the National Intelligence Council (NIC). I held this position from 2009 to 2013. I was fortunate at the NIC to work with a talented team of senior analysts and to be part of a particularly agile and responsive part of the IC.

I have many takeaways from four years in the IC, not the least of which is how much the immediate demands on the U.S. government drive its priorities and how—whether in the IC or in policy

positions—agencies and offices focused on strategic intelligence fight continuing battles for attention and relevance. The small and understaffed National Security Council strategy office in the Obama administration was no exception and was hampered, during my time in government, by constant turnover in leadership and ambiguity as to its purpose and mission. It produced two national security strategies in eight years, neither of which was memorable for its insights.

Early in my tenure at the NIC I met with then-Director of National Intelligence Dennis Blair to talk about the work plan for my unit. Since Admiral Blair had appointed me to my position, he had a direct interest in the work of the unit I directed. I identified three broad questions that my colleagues and I had determined to be of strategic consequence for the United States: the geopolitical implications surrounding China's rise; the risks of a U.S. strategic defeat in the Middle East; and the uncertain drivers of renewed global growth after the 2008 financial crisis. Blair's response to me was instructive. He said—in so many words—that these issues were too big and abstract to capture the interest and attention of busy policymakers. Essentially, his advice translated as a call to break issues down into more bite-sized pieces.

Director Blair's feedback was certainly practical, but years later I continue to believe that these three topics were certainly among the right questions for a "strategy" office to explore—a fourth topic, in hindsight, might have been to figure out Vladimir Putin's long-term strategy for Russia and its implications for U.S. interests. We might not have "predicted" the decline in China's GDP growth and the rise of Xi Jinping, the dramatic consequences of the Arab Spring and lower oil prices, or the broad implications of extended, slowed global growth in the aftermath of the 2008 financial crisis, but I believe we might have been able to sensitize policymakers to potential possibilities.

But I also came to believe, as this paper reflects, that the IC is not the right place to lead such strategic inquiries. The IC is hampered by its preoccupation with responding to the pressing, immediate needs of policymakers, by the injunction that its written products not be policy prescriptive, by widespread skepticism of unclassified inputs, and by a hesitancy to factor the United States as a geo-strategic variable into its analyses. All of these strictures would have constrained what my office could or should have been writing about on the topics we identified as “strategic.”

In addition, the IC lacks tasking and convening power to bring together the best talent in the U.S. government around questions such as the ones we wanted to explore. Such questions—to be addressed properly both in terms of their trajectories but also in terms of their policy implications—demand a whole-of-government approach, from the IC to Treasury to Energy and so on. Such an effort must, in my view, be led from the White House as it was during the Eisenhower administration. No single cabinet department has adequate breadth or authority to do so, including the Department of State, which used to host such strategic inquiries but today lacks a strategic mission or, indeed, a workforce trained to think strategically. The Department of Defense fares somewhat better in this regard, if only because its procurement cycle forces long-range thinking and a sizeable planning budget and staff makes this possible, but DOD personnel are properly focused on fighting and winning wars, not on assessing all of the facets of American power and the full range of U.S. interests.

This paper is, in part, the story of how I came to these conclusions. As one of my paper reviewers noted, my “time in the intelligence community took me into digressions, if interesting ones.” These “digressions,” as captured in this paper are, I hope, not only interesting but also relevant to the overall topic of this paper.

More fundamentally, this is the story of why I am persuaded that our policymakers should be prepared to be continuously surprised going forward and why, therefore, the U.S. government needs to develop the capacity to think and act more creatively to anticipate what may be in store for America, and prepare for uncertainty.

This paper is not intended as a comprehensive academic inquiry into the issue of strategic surprise. Richard Betts and Robert Jervis, among others, have more than filled this space. Nor does it claim to be original in terms of its central recommendation that we go back to the Eisenhower administration's Planning Board for a useful planning model to consider. (I do place more emphasis than others on continuity in planning during presidential transitions.) This paper, instead, reflects my personal reading and thinking on the subject, improved by robust conversations with colleagues over a lifetime of work.

Finally, this paper is not aimed at changing the behavior of the current administration, which remains chaotic and unsettled more than a year and a half into the Trump presidency. Rather my hope is to inspire a conversation focused on the interrelated issues of strategy, surprise, and planning and how, in the event the U.S. government ever (again) became serious about addressing all three, we could better organize our government's focus on strategy to improve our nation's performance.

I am grateful to the RAND Corporation for supporting my original work on this paper as part of a larger project directed by the late Richard Solomon. This paper, however, has been revised significantly from the draft he saw, in part to take account of the change in U.S. administrations, but also to permit me to refine and sharpen my analysis. I am responsible for the final product—not RAND or the Institute for the Study of Diplomacy (ISD) at

Georgetown University, which has given me the office and support to pursue my writing and teaching. I am grateful to the Smith Richardson Foundation for its support of my revisions of the original draft of this paper and for assisting in bringing together an April 2018 roundtable of experts to critique my revised draft.

This roundtable, chaired by my Georgetown colleague, Dr. Chester Crocker, provided me with valuable suggestions on improving my draft. I have incorporated most of these comments into the paper and referenced them as appropriate for an off-the-record discussion. I am particularly grateful to Dr. Jennifer Sims and Derek Chollet, who led sessions of the discussion and provided me with additional feedback off line.

A number of people read earlier versions of this paper and provided invaluable input. My former NIC colleague, Rob Williams, and my Georgetown colleagues, Steve Mull, Kelly McFarland, and Chet Crocker, reviewed multiple drafts and helped make each one better as did Vanessa Lide, ISD's superb editor. Any remaining faults in the text are my responsibility, not theirs.

I am grateful as well to my smart Georgetown students in my seminars on presidential decision making and strategic forecasting, who throughout the years have challenged and informed my thinking in ways that have always been constructive and helpful.

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September 2018*

GRAND STRATEGY, SURPRISE, AND PLANNING: SELECTED QUOTATIONS

- A strategy articulates clear, achievable national interests; identifies concrete threats to those interests; and then recommends specific policy instruments by which such threats can be met and overcome.
– *Colin Dueck*
- Every grand strategy, in turn, rests on an intellectual foundation made up of critical assumptions. Assumptions are the strongly—if often implicitly—held ideas that policymakers have regarding the nature of the international environment and the role that their country plays in that environment.
– *Hal Brands, Peter Feaver, William Inboden, and Paul D. Miller*
- National security processes tend to obsess over threats and pass quickly over potential consequences of actions.
– *Michael J. Mazarr*
- Since the end of the Cold War, the United States has pursued a generally consistent and successful grand strategy that has aimed to perpetuate American international primacy, to solidify and extend the liberal international order, and to avert the emergence of new or resurgent threats to that order.
– *Hal Brands, Peter Feaver, William Inboden, and Paul D. Miller*

- The President embarked on his first foreign trip with a clear-eyed outlook that the world is not a ‘global community’ but an arena where nations, nongovernmental actors and businesses engage and compete for advantage.
– *H.R. McMaster and Gary D. Cohn*
- [Surprises are] events that, if they occur, would make a big difference to the future, force decision makers to challenge their own assumptions about how the world works, and require hard choices today.
– *Peter Schwartz and Doug Randall*
- If all you do is manage crises, all you’re going to get is more crises because you are not putting in place policies and strategy to shape the future and avoid crises.
– *Stephen Hadley*
- Look ahead, not into the distant future, but beyond the vision of operating officers caught in the smoke and crises of the current battle; far enough ahead to see the emerging form of things to come and outline what should be done to meet or anticipate them.
– *General George C. Marshall*

SUMMARY

KEY TAKEAWAYS

- The United States is experiencing a steady erosion, in the 21st century, of its preeminent global position. This erosion can be attributed to the rise of regional competitors, shifts in the global distribution of power, and to policy mistakes made over successive U.S. administrations.
- Effective anticipation helps preserve strategic choice and decision space for policymakers.
- The U.S. government has lost the capacity for sustained, government-wide strategic assessment and anticipation.
- Effective anticipation requires dedicated strategic analysis, dedicated collection of strategic intelligence, and effective counter intelligence. The U.S. government is deficient in all of these enterprises.
- The constant turnover of senior officials and lengthy time required to fill personnel vacancies in our government impedes strategic thinking and action. The National Security Council Staff faces particular challenges because it relies so heavily on short-term detailees from other government agencies.

- The United States is continually vulnerable to surprise as senior officials struggle to stay on top of current issues and current bureaucratic battles, leaving little time for anticipation of what may be coming down the pike in terms of challenges and opportunities. For example, many senior officials lack the technical proficiency to understand and address emerging cyber and artificial intelligence issues, which are increasingly central challenges to U.S. national security.
- Strategic warning, whether from the intelligence community or from other sources, is rarely the only challenge. Too often the biggest challenge is translating warning into timely and effective government action.
- The expanding array of challenges—domestic and foreign—facing policymakers mean that agenda-altering events will be more rather than less likely in the future.
- The United States faces particular vulnerabilities during years of presidential transitions, as the old, experienced, and tired team leaves office and the new, untested, and under-informed team enters office.
- It is, therefore, essential that a White House-driven strategic planning office be established and charged with challenging existing assumptions, anticipating risks and opportunities, developing policy options (consistent with available resources), and recommending strategic priorities. Such an office would be modeled on the Eisenhower administration's Planning Board, but unlike that board would not expire at the end of the administration but would assist in the transition to a new administration.

Surprise is all around us, forcing leaders to revisit assumptions and revise policies. From 9/11, to Ebola, to the Arab Spring, to Russian interference in the 2016 U.S. elections in the contemporary era, and from Pearl Harbor to the collapse of the Soviet Union in the past, policy agendas have been upset by the unexpected. The U.S. intelligence community (IC) is charged with “reducing uncertainty,” but uncertainty cannot be eliminated, and so policymakers invariably struggle simply to react to events rather than seeking to shape the future.

Surprise, of course, can come in many forms. We are most familiar with **tactical surprise** of a military nature. It is to avoid tactical surprises that much government effort and expense is devoted. But **system shocks**, such as the fall of an important leader or a cataclysmic natural disaster, can also transform national agendas. Finally, what have been termed **tectonic shifts** can also be strategically significant and surprising in their broader effects. The rise of China as a major regional and global actor or the energy revolution in the United States through use of hydraulic fracking that gained traction in the last decade are examples of such shifts.

The analytic challenges of addressing each of these areas of uncertainty are very different. The IC is most comfortable, and after years of war, most practiced, in dealing with tactical issues, which lend themselves to data-driven answers—and least comfortable and resourced to anticipate strategic possibilities.

Mindsets that are more comfortable with linear thinking effectively hinder anticipation of strategic surprises. For instance, it was entirely reasonable for intelligence analysts and policymakers to expect continuity in Egypt, where President Mubarak was in office for 30 years before his sudden overthrow in 2011. Further, the imperatives of crowded agendas, and the tactical support necessary

to pursue those agendas, mean that insufficient attention is given to strategic and long-term issues. Policymakers, by and large, have short time horizons, particularly when there is constant turnover in senior and even mid-level administration officials. This keeps the IC largely focused on the immediate crises. In the words of one participant in the ISD roundtable assembled to discuss this paper, “The IC prioritizes what policymakers prioritize.”

Too often the central issue is not a failure to anticipate that significant change is in process. The societal pressures that produced the Arab Spring were well recognized, for instance. However, no one adequately anticipated the ripple effects that spread from Tunisia to Egypt, and beyond. **The real challenge is how to transform anticipation into effective and timely policy responses.** Regrettably, recent decades are replete with examples of policymakers failing to adjust to decisive geostrategic shifts in a timely manner either because the IC failed to provide sufficient “decision space” or because policymakers would not make the tough call.

There is a robust debate over whether the world is currently in a period of unprecedented change. I would argue that the likelihood of rapid change will guarantee more, not fewer, surprises. Climate effects, uncertainties created by emerging and potentially disruptive technologies, competitive regional state actors, and shifts toward more authoritarian governance models around the world all suggest that we are headed into more turbulent policy waters.

Three observations seem pertinent. First, the current U.S. president and his successors will face multiple, significant, and competing challenges across a wide range of issue areas. Second, some of these challenges will come as “out of the blue” events (such as pandemics, natural disasters, or cyber-attacks). Others will mature over time but will not receive sufficiently prompt attention to force early policy

adjustments (for example, rising tensions between Pakistan and India, or between Iran and Israel—or the possibility that a two-state Arab-Israeli peace agreement is no longer an achievable option). Some, of course, will result from U.S. policymakers’ bad policy decisions. Still other challenges will be well recognized but largely ignored because the United States will be unable to achieve a national consensus on acceptable responses (as is the case now with comprehensive immigration reform, climate change, infrastructure repair, and meaningful fiscal reform). Third, the world is likely to become much more complex, with changes occurring more rapidly. The impact of social media on popular perceptions and the growing impacts of cyber and artificial intelligence as issues of public policy contribute to this complexity. Shifts in public policy typically lag woefully behind these rising risks.

What is to be done to avoid or prepare for this uncertainty? Obviously smart policies are essential but to get to “smart” we need in-depth analysis of the challenges facing the United States—both domestic and foreign—and identification of the options, tools, and resources available to address them.

Neither the policy community nor the intelligence community is sufficiently focused on or properly organized to anticipate significant discontinuities and their implications. This is particularly true with respect to the period of transition from one administration to the next. Since 1992, from presidents Clinton to Trump, U.S. electorates have selected presidents without strong national security experience. The discontinuities in leadership and management of U.S. national security, as one administration exits the stage and the next gradually takes up the reins of power, argue for careful attention to this period of vulnerability.

This paper does not suggest a grand strategy that will help the U.S. to navigate through turbulent policy waters. **Rather, it seeks to identify processes that could produce better strategic insight at the apex of the U.S. government—and safeguard the United States from being blindsided by events that appear to come out of nowhere.**

A critical and necessary change is the addition of a permanent office in the White House responsible for strategic planning and anticipation with special responsibility for providing continuity during changes of administrations. This means the office would not turn over or expire when an administration leaves office—though, of course, the incoming president would appoint its new director. This office should have:

- Clear presidential authority and support
- A small but highly qualified, multidisciplinary staff drawn from across the U.S. government and private sector, with sufficient seniority to command respect
- A minimum of staff turnover to preserve continuity of analysis and insight
- A staff charged with clear “deliverables,” including a national security strategy in the first year of a new administration

The Eisenhower administration established a precedent for such an office. In 1953, the president set up the Planning Board, which was responsible for long-range analysis and recommendations to the National Security Council. While it was lodged in the White House, the Board was made up of members who retained strong and

continuing ties to their home agencies and could represent the interests and expertise of those agencies to the deliberations of the board.

There are informed reservations about the concept, not the least of which is that incoming administrations tend to resist advice from their predecessors. Moreover, it is worth asking whether planning is even possible in the current highly charged and partisan atmosphere. This paper argues that it is especially necessary during such an uncertain and chaotic period.

The ISD roundtable also identified a range of alternatives to the proposal highlighted in this paper. They are identified in the final sections of the paper together with other suggestions for reform from the intelligence and security experts who participated in the April 2018 roundtable.

1. INTRODUCTION

The analytic elements of the U.S. intelligence community exist primarily, in the words of Thomas Fingar, former chairman of the National Intelligence Council (NIC), to “reduce uncertainty” in the minds of policymakers and anticipate surprise.¹ Of course, U.S. policymakers each day reach out far beyond the IC for analysis, insight, and anticipation with respect to future challenges that could adversely affect U.S. interests. Information pours into the White House from classified sources, Wall Street, NGOs, think tanks, and foreign capitals, not to mention the minute-to-minute updates via online news sites and social media.

Policymakers have access to vastly more information than their historical predecessors, but so does the world at large. Social media demands real-time responses from harried policymakers, who are rarely given the luxury of reflective time before being forced to comment.

Despite vast expenditures of money, time, and effort, policymakers are constantly being surprised in the post-Cold War era—by how quickly Ebola spread in West Africa, by the pace at which the Islamic State in Iraq and Syria (ISIS)² gained ground, by Russian President Vladimir Putin’s actions in Ukraine and beyond, by China’s sharp authoritarian turn under President Xi Jinping, by the accelerating pace of Arctic melting, by bursting economic bubbles, and by government overthrow in Tunisia, Egypt, Yemen, and Libya. None of these examples were truly “surprising” in the sense that all were anticipated to one degree or another by analysts or on-the-ground observers. **The critical failures were the failure to plot the**

¹ Thomas Fingar, *Reducing Uncertainty—Intelligence Analysis and National Security* (Stanford, CA: Stanford University Press, 2011). p. 1.

² Also called Da’ish or the Islamic State of Iraq and the Levant (ISIL).

trajectories of many of these events—and translate analytic warnings into timely and effective policy responses.

We are conditioned to think of “surprise” in military terms—think Pearl Harbor in 1941, the Chinese intervention in Korea in 1950, and the Arab-Israeli War in 1973—or as political surprises, like the fall of the Shah of Iran in 1979, the fall of President Mubarak of Egypt in 2011, and so on. But surprise is all around us, forcing our leaders to constantly revisit assumptions and revise policies developed within Washington policy cocoons.³

Moreover, we are sometimes “surprised” by the consequences of our own responses to events. Did George W. Bush really intend to initiate the longest war in American history after September 11, 2001, to say nothing of removing Iran’s most fearsome enemy—Saddam Hussein? Did Barack Obama intend to emulate his predecessors by ordering additional U.S. military and diplomatic assets to the Middle East as the Islamic State expanded its reach?

As noted, this paper will not review the rich academic literature on “strategic surprise”—though some definitional grounding is necessary. Rather, **it will assess the implications for developing a grand strategy in a world where the frequency of surprising developments is the new normal.** We are in a world of accelerating technological change (including in the military arena), shifting economic power from West to East, increasing threats to the liberal order from our own actions and those of others, and rising pressures and uncertainties arising from climate change. We anticipate increasing demands on financial and natural resources from population growth, aging populations, and growing middle-class vulnerabilities with the expansion of automation and competitive

³ Appendix 2 of this paper offers a list of “surprises” since 2010, which caught policymakers insufficiently prepared to act.

global production. We fear a diminished U.S. capacity to lead and note accelerating efforts to block U.S. preferences on the part of authoritarian actors at the state and sub-state levels, to say nothing of allies, who disagree with our policy choices or lack the capacity or willingness to provide assistance.

The NIC's report, *Global Trends 2030: Alternative Worlds*, issued in December 2012, posited that the "diffusion of power among countries and from countries to informal networks will have a dramatic impact by 2030, largely reversing the historic rise of the West since 1750 and restoring Asia's weight in the global economy and world politics."⁴

In 2018, this paper rests on a core assumption. **Successive presidents became accustomed to U.S. strategic dominance.** America's self-styled reputation as "indispensable" rested, in turn, on assumptions about the strength of our military, the allure of our markets, and the attractiveness of our values. All have been progressively undermined by endless war in the Middle East, the 2008 financial crisis, and by the 2016 election and its aftermath. The Trump administration has further eroded America's position in the world by withdrawing from previously concluded agreements and by confronting our allies on trade and other issues. **Today, all elements of U.S. power are contested.** Simply put, the United States lacks the overwhelming strength of earlier eras, which permitted it to make policy mistakes—like engaging in a protracted war in Vietnam—and then bounce back to renewed dominance.

Effective strategic planning will require repositioning the U.S. government to better anticipate and prepare for a tumultuous

⁴ National Intelligence Council, *Global Trends 2030: Alternative Worlds*, December 2012, p. 16.

https://www.dni.gov/files/documents/GlobalTrends_2030.pdf.

era in which the United States will have to work harder for its global gains. It will require a far more realistic appreciation of the relationship between our resources and goals.

2. STRATEGIC SURPRISE AND ITS CHALLENGES

Futurists Peter Schwartz and Doug Randall define strategic surprises as “**events that, if they occur, would make a big difference to the future, force decision makers to challenge their own assumptions of how the world works, and require hard choices today.**”⁵ In the contemporary era, 9/11, the 2008 financial crisis, the Arab Spring, and the Russian absorption of Crimea and Russian “active measures,” more generally, were surprises—to many but not all analysts—that ultimately required significant shifts in planning assumptions and policy adjustments.

Because strategic surprises can have significant impacts on policy choices, anticipation of potential surprises or discontinuities must be central to any planning process. Effective planning begins with effective anticipation.

Whether the adjustments made in response to the surprises noted above were the right ones is an entirely different matter. In fact, the U.S. response to crisis can, in retrospect, sometimes be judged as having had greater impact than the precipitating event. **Arguably, the Bush administration’s responses to 9/11 were far more strategically significant than the event itself**—the initiation of a long war; the removal of an Iraqi Sunni “balancer” of Shia Iran; the stimulation of a violent jihadist reaction to Western intrusions in the region; and the expanded U.S. focus on the Middle East, which

⁵ Peter Schwartz and Doug Randall, Chapter 9 “Ahead of the Curve,” in Frank Fukuyama, ed., *Blindside: How to Anticipate Forcing Events and Wild Cards in Global Politics* (Washington D.C.: Brookings Institution Press, 2007), p. 93.

distracted Washington from effectively addressing the profound implications of China's rise and Russia's nationalistic turn. The Trump administration's war on multilateral trade agreements, skepticism of alliances, and the jettisoning of the Iran nuclear deal may also have unanticipated outcomes.

Not all surprises have negative implications for U.S. strategic planning. The information technology revolution of the 1990s and the subsequent introduction of Google and smartphones are examples of technological innovations that enhanced American power. (This same technology also spread knowledge and power more broadly around the globe, including, it is worth noting, to terror groups and Russian hackers.) The U.S. energy revolution, based on technological innovations leading to a surge in domestic oil and gas production, is providing multiple benefits for the U.S. economy and, by extension, for America's role in the world, while also forcing energy-producing states like Saudi Arabia to fundamentally rethink their policies in the face of budget constraints.

Surprising discontinuities—good or bad—can lead to opportunities for creative action and strategy. The largely unanticipated fall of the Berlin Wall in 1989 offered multiple opportunities for the United States, including, of course, the chance to assist in the reunification of Germany and the expansion of democracy in Eastern Europe.

Ideally, the U.S. government learns lessons from surprises. IC tradecraft is better as a result of actions taken to address analytical and collection problems that emerged when predicted weapons of mass destruction were never found in Iraq in 2003 after the overthrow of Saddam Hussein. Tactical intelligence, in particular, has gotten better in part because it is so data driven.

Technical collection has improved in recent years, while being challenged by data dumps by the likes of Edward Snowden. National Intelligence Estimates devote much more rigor to vetting sourcing for analytic findings than was true prior to 2003. Today, the IC does a better job of making explicit confidence levels for its analytic judgments.⁶

Where the IC continues to lag, as will be discussed later in this paper, is in the area of strategic intelligence or probabilistic intelligence, where analysts are asked to triangulate multiple possibilities and there are few certainties.

This paper will argue that most events identified as “surprises” in fact are rarely completely unanticipated. The enduring challenge is how to translate analytic warning and insight into executive action. As the grand master of IC analytical tradecraft, Sherman Kent, said, “Warning is not complete until: (1) The Warner warns, (2) The Warnee hears, believes, and acts.”⁷ Or, as Jim Dewar of RAND opined, **“If long-term thinking doesn’t influence what you do today, it’s only entertainment.”**⁸

From Pearl Harbor, to 9/11, to the Arab Spring, to Russian hacking, policymakers were caught flat-footed, but these were not entirely unanticipated events. Michael Morell, former deputy director of the CIA, for example, wrote of the pre-Arab Spring period that “for a number of years CIA analysts had been warning about powerful pressures in the Arab world. In one piece after another they told

⁶ Intelligence Community Directive 203, Analytic Standards, January 2, 2015.

⁷ Quoted in Jack Davis, “Sherman Kent’s Final Thoughts on Analyst-Policymaker Relations,” The Sherman Kent Center for Intelligence Analysis, Occasional Papers: Volume 2, Number 3, June 2003, p. 3.

⁸ Quoted in Gregory F. Treverton and Jeremy J. Ghez, “Making Strategic Analysis Matter,” RAND, 2012, p. 1.

policymakers that, without significant policy change in the Arab world, the status quo would not stand.”⁹

But the “link” from IC warning to policy action did not occur. The warning was general, and therefore perceived by policymakers as not sufficiently “actionable”—until regimes began to fall across the Middle East.

Contributing factors to these “intelligence failures” have included too much “noise” (contrary or ambiguous intelligence) around these events, distracted policymakers, misaligned collection and analytical priorities, and faulty assumptions. Ambassador James Dobbins noted that “often one is dealing with possibilities which are acknowledged but considered low probability.”¹⁰ **Building more systematic attention to potential disruptions and alternative futures into the planning process makes sense. But, of course, first one needs a planning process (and experienced strategic thinkers), and the United States has not really had a sustained planning process since the Eisenhower administration.** These themes will be developed later in this paper.

Categories of Surprise

This paper defines strategic surprise as events that are so critical to U.S. national interests that policymakers are forced to change course in response. However, surprises come in different shapes and sizes.

⁹ Michael Morrell and Bill Harlow, *The Great War of Our Time: The CIA’s Fight Against Terrorism from al Qaeda to ISIS* (New York: Hachette Book Group/Twelve, 2015), p. 178.

¹⁰ Ambassador James Dobbins, in discussion with author.

Much of the literature on surprise focuses on **tactical surprise**, generally of a military nature. This has been defined as “abrupt, deliberate action by an adversary (such as a state, armored force, or terrorist cell) against an unprepared target.”¹¹ There are many examples that can be offered here—Pearl Harbor and 9/11 are but two. For our purposes, the surprise or event may be less strategically consequential than the response. The fundamental reorientation of U.S. national security policies following Pearl Harbor and 9/11 far exceeded the local damage done on December 7, 1941 and September 11, 2001. The ultimate surprises were what we did to ourselves, in terms of restructuring our priorities, not what others did to us.

However, a nuclear attack—or perhaps even a crippling cyberattack or catastrophic pandemic—would have immediate consequences that could match or exceed those of any immediate government response. Similarly, the German surprise offensive through the Ardennes in 1940 led to the rapid defeat of France. That was a tactical surprise with immediate strategic consequences. Ernest May, who wrote a defining study of the German invasion of France, observed, “It is very hard to compose a scenario that would end with Germany so quickly victorious if the allies had anticipated—even as one possibility among several—a major, fast-moving German offensive through the Ardennes.”¹²

Strategic surprises can also come in the form of “**system shocks**” where, for example, a critical leader or an important economy or state suffers a sudden reversal of fortune. The sudden and largely unanticipated ousters of the Shah of Iran and Hosni Mubarak of

¹¹ Quotations and identification of categories and distinctions taken from an internal but unclassified intelligence document: “Anticipating Strategic Level Surprise: Analytic Frameworks for Practical Use,” CIA, January 2013.

¹² Ernest R May, *Strange Victory: Hitler’s Conquest of France*, (New York: Hill and Wang, 2000), p. 452.

Egypt, the collapse of the Soviet Union, and the 2008 financial crisis all fit into this category. Each of these events initiated ripple effects that continue to this day. Typically, there had been accumulating evidence of impending disruption, but the triggering event may have been unanticipated and signposts of mounting pressures may only have become clear after the fact. Again, what is strategically significant is what comes after the surprising event—either as a result of the shock or linked directly to the response to the shock. An initial shock can lead to a contagion effect, as was the case throughout the Middle East following the widespread public demonstrations and ouster of Tunisia’s leader in 2011. Contagion is certainly common when global financial markets react negatively to economic instability in one region by pulling back in other regions as well. If the slide is not arrested, then there is the risk of a global economic meltdown, as occurred after 1929 and was a real threat after 2008.

Finally, surprises can occur as a result of what has been termed “**tectonic transformations.**” Here we are looking at extended processes that create entirely new realities, which may not be fully understood or appreciated as they are gaining momentum. The introduction of the World Wide Web, China’s economic rise after 1980, the emergence of political Islam, and the U.S. energy revolution in the first decades of the 21st century are cases in point.

Barriers to Anticipating Surprises?

There is a rich literature from academics and practitioners on how difficult it is to anticipate game-changing events. Richard Betts and Robert Jervis, both at Columbia University, have written insightfully on this issue.¹³ The Institute for the Study of Diplomacy at Georgetown University for a number of years convened a regular working group of experts called “The Schlesinger Working Group on Strategic Surprise.”¹⁴

Students at Georgetown University, in classes taught by this author, are asked to imagine themselves sitting around a strategy table more than 100 years ago. Students and their professors might have predicted war in 1914, but they certainly would not have anticipated a world war that would go on for years; kill over 17 million people; remove the Russian, German, Austro-Hungarian, and Ottoman ruling dynasties; facilitate the rise of Communism and National Socialism; and ultimately foster the conditions for World War II.

Some distinctions with respect to thinking about uncertainty can be useful, as well. Former Secretary of Defense Donald Rumsfeld famously categorized uncertainty as follows:

There are known knowns; there are things we know
we know. We also know there are known unknowns;
that is to say we know there are some things we do

¹³ See Richard Betts, *Enemies of Intelligence: Knowledge and Power in American National Security* (New York: Columbia University Press, 2007) and Robert Jervis, *Why Intelligence Fails: The Iranian Revolution and Iraq War* (Ithaca, NY: Cornell University Press, 2010).

¹⁴ These reports can be found on the ISD website:
<https://isd.georgetown.edu/working-group-reports>.

not know. But there are also unknown unknowns—the ones we don't know we don't know.¹⁵

Rumsfeld observed it is these “unknown unknowns” (which are rare) that have historically caused countries particular difficulties. Further, he suggested that one could only know more about the unknowns by imagining what they might be. These have been dubbed “black swans,” meaning things that are considered impossible until they turn out to be all too possible. Nassim Nicholas Taleb, who coined the description, observes that “**our tools for forecasting and risk measurement cannot begin to capture black swans.**”¹⁶

Former National Intelligence Council Chairman Greg Treverton identified another useful distinction between intelligence “puzzles” and “mysteries.” He wrote, “Puzzles can be solved; they have answers. But a mystery offers no such comfort. It poses a question that has no definitive answer because the answer is contingent; it depends on the interaction of many factors, known and unknown.”¹⁷ Adolf Hitler's plans in 1936 were a puzzle. A well-placed and reliable spy in Berlin might have saved the world a good deal of grief by uncovering them. However, the origins of World War I, before the fact, were closer to a mystery than a puzzle. The sequence

¹⁵ See Rumsfeld news conference from February 12, 2002:

<http://www.defense.gov/transcripts/transcript.aspx?transcriptid=2636>. Rumsfeld may have borrowed from Sherman Kent, who made his own distinctions between “the knowable and known,” “the knowable and unknown,” and “the unknowable.” Quoted in Jack Davis, “Sherman Kent's Final Thoughts on Analyst-Policymaker Relations,” *The Sherman Kent Center for Intelligence Analysis, Occasional Papers: Volume 2, Number 3, June 2003*, p. 7.

¹⁶ Nassim Nicholas Taleb, “Learning to Love Volatility,” *The Wall Street Journal*, November 16, 2012, <https://www.wsj.com/articles/SB10001424127887324735104578120953311383448>.

¹⁷ Gregory F. Treverton, “Risks and Riddles,” *Smithsonian Magazine*, June 2007, <http://www.smithsonianmag.com/history/risks-and-riddles-154744750/>.

of events that led to that catastrophic war began with an assassination, followed by responses from European leaders that were not preordained. Once the war began, it was hard to stop but years of brutal trench warfare and horrific slaughter could not have been anticipated.

Another mystery was the Arab Spring, triggered by an unhappy Tunisian fruit and vegetable seller, but feeding off decades of popular unhappiness with the Tunisian regime. Events unfolded rapidly thereafter with contingent events and contagion effects that could not have been fully anticipated, even if the triggering event had been known. There is a causal link between that Tunisian produce vendor's death in 2011 and the one million refugees and migrants who arrived in Europe in 2015—which, in turn, spurred populist and nativist anger across Europe that will likely have an impact on life and politics in many European countries for the next generation or more.

Puzzles lend themselves to evidence-driven answers and command the most attention from intelligence analysts. Mysteries, on the other hand, lack hard evidence that can be weighed and judged. Yet, analysts and policymakers must consider both possibilities, and to do so they must overcome cognitive and other barriers.

Treverton argued that “**mindsets are the root of most mistaken intelligence analyses.**”¹⁸ U.S. journalist and foreign policy writer Walter Lippmann famously opined, “We are all captives of the pictures in our head—our belief that the world we experience is the world that really exists.”¹⁹ This factor is a particular challenge for Americans, whose leaders generally have little experience with other cultures and mindsets. President Lyndon Johnson reportedly

¹⁸ Treverton, Risks and Riddles.

¹⁹ BrainyQuote.com.

observed, “Foreigners are not like the folks I am used to.”²⁰ (Arguably, four U.S. presidents have failed to understand Putin’s driving motivations.)

A recent McKinsey & Company publication observed that “strategy poses the kind of low-frequency, high-uncertainty problems for which the human brain is least adapted. People are prone to many well documented unconscious cognitive biases—overconfidence, anchoring (use of an initial piece of information to make a decision), loss aversion, confirmation bias and attribution errors among others.”²¹

Caution demands, as well, that the analyst and policymaker keep in mind the observation that former Director of Central Intelligence Robert Gates kept on his desk: “The best way to achieve complete strategic surprise is to take an action that is either stupid or completely contrary to your self-interest.”²² History’s verdict is not yet in on Putin’s moves in Ukraine, but it is unambiguous with respect to Saddam’s invasion of Kuwait in 1990. The United States was surprised by that invasion because it was so obviously a blunder that a canny survivor like Saddam seemed unlikely to make—and ran contrary to what other Arab leaders anticipated.

Keeping these general observations in mind, it is useful to make distinctions between three types of impediments to anticipation: among intelligence analysts, among policymakers, and structural impediments.

²⁰ George F. Will, “The Vietnam War is a masterpiece—and a model for assessing our history,” *The Washington Post*, September 15, 2017.

²¹ Chris Bradley, Martin Hirt, and Sven Smit, “How to confront uncertainty in your strategy,” McKinsey & Company-Strategy and Corporate Finance, March 2018.

²² Quoted in Richard N. Haass, *War of Necessity, War of Choice* (New York: Simon and Schuster, 2009). p. 59.

The Intelligence Community

Jack Davis, an insightful intelligence analyst, noted that, “countless post-mortem examinations of intelligence failures conclude that better collection, broader substantive expertise, and more rigorous evaluation of evidence would have made a difference.”²³

The intelligence community has experienced more than a decade and half of war (and before that a decade of budget cuts). Since 9/11, the IC’s driving imperatives have been support of combat troops and an intense focus on the counterterrorism and counter-proliferation missions. Almost by definition, tactical intelligence has been favored over strategic and longer-term intelligence. (In fairness, one of the challenges IC analysts face is that their written “products” must be drafted for very different customer needs—from POTUS to diplomats and warriors on the line.)

IC entities specifically charged with “all source” strategic analysis are largely limited to the Office of the Director of National Intelligence (ODNI) and particularly the NIC, CIA, and the State Department’s Bureau of Intelligence and Research.

The IC pays more than lip service to “global coverage,” but in both the Bush and Obama administrations, presidential attention focused on the geography between the Nile and the Indus, with related counterterrorism distractions in Somalia, Nigeria, and Libya, counter-proliferation attention being paid to Iran and North Korea, and more recent intelligence and policy excursions to Ukraine and Russia. Former CIA senior officer Michael Morrell wrote, “There is

²³ Davis, Jack, “Why Bad Things Happen to Good Analysts,” *Studies in Intelligence* Vol 60, No. 3 (Extracts, September 2016).

no doubt in my mind that the resource shift and focus on terrorism were in part responsible for our failure to more clearly foresee some key global developments such as Russia's renewed aggressive behavior with its neighbors."²⁴

The IC is very much focused on responding to what it calls "customer taskings," meaning policymaker questions, which are too frequently tactical in nature rather than strategic. The tension between the tactical and the strategic is evident in the dual responsibilities of officers at the NIC—both to provide day-to-day intelligence to support the policy process and to continue to produce the NIC's traditional and more strategic, National Intelligence Estimates. In the best of circumstances, it is tough to do both well.

Furthermore, the searing experience of the evidentiary errors in the 2002 National Intelligence Estimate about Iraq's alleged weapons of mass destruction has fostered an analytical community that is more comfortable with "evidence-based" analysis than "possibility-based" analysis. Some analysts shy away from questions about which there is little hard data. **Analysts can make assessments where they find evidence. They can estimate probabilities. But estimates of possibilities or alternative futures meet analytical resistance.**

Intelligence collectors face similar challenges. Collection requirements are vast while collection priorities focus heavily on a narrow band of functional issues and regions. Collectors have a tough time collecting intelligence on relative intangibles such as leadership intentions and the plans of non-state actors. Yet, surprise is most likely to emanate exactly from these zones of uncertainty.

²⁴ Morell and Harlow, *The Great War of Our Time*, p. 73.

Jennifer Sims, who served in the IC and writes incisively on intelligence issues, argued that “anticipation, converting policy-makers’ unknown unknowns to known unknowns, requires OSINT (open-source intelligence), healthy liaison relationships, and collection reaching beyond policy-maker requirements.”²⁵ All three areas are challenged by current policies and mindsets.

Moreover, IC officers in the field face conflicting imperatives. If a chief of station is focused on the counterterrorism mission in Egypt, for example, which requires working with the host country’s government—how can he or she also easily monitor domestic pressures on that same government? The CIA’s Morell concluded, “We failed [to see growing pressures in the Arab world] because to a large extent we were relying on a handful of strong leaders in countries of concern to help us understand what was going on in the Arab street.”²⁶ Journalists in the region and the staffs of regionally based non-governmental organizations recognized the mounting pressures in Cairo and elsewhere in the region far better than did the IC. The IC faced a similar conundrum in its relations with the Iranian intelligence service, Savak, in the Shah’s Iran in the 1970s and chose unwisely not to monitor adequately domestic developments in that country.

There may exist in the IC an over-emphasis on responding to requests for information from policymakers. Intelligence serves policy. However, if policy is driven largely by short-term exigencies, then “anticipatory” or “possibilities-based” intelligence will not be valued or pursued with vigor. Intelligence professionals argue that while they provide “strategic” or “long-range” analysis, their judgments rarely prompt a basic change in policy direction.

²⁵ Jennifer Sims in a follow-up note to author after ISD April 2018 meeting. Dr. Sims has a forthcoming book entitled *Decision Advantage: Intelligence in International Politics from the Spanish Armada to CyberWar*.

²⁶ Morell and Harlow, *The Great War of Our Time*, p. 179.

Most often it is a crisis, not analysis and anticipation that leads to strategic shifts in policies in the United States.

Moreover, the IC (and CIA and DIA in particular) have set up what some would call crippling barriers (financial, legal, and security) to their “outreach”—the IC’s efforts to seek input on analytic questions from experts and institutions such as universities and think tanks. Some analysts remain skeptical that information that does not come into view on a classified screen can be of use. This skepticism is reinforced when IC leadership is perceived as not truly committed to reaching out to the broader community of experts. Many analysts face the limiting factor of working in relatively isolated facilities surrounded by secured fences. Analysts, too frequently, feel that they have to go through so many lengthy procedural and logistical hoops to talk to someone on the “outside”—so why bother?

These strictures have more effect on some issues than others. Senior intelligence officers who leave government and move to the private financial sector, for instance, are regularly surprised at the vast amount of highly useful economic, financial, and political information circulating in financial markets that they never had ready access to in government (though colleagues at the Treasury Department are presumably better informed). However, on such issues as counterterrorism, the IC has greater capabilities than outside entities—especially at the tactical level.

There is considerable practical truth in the observation that “there are only intelligence failures and policy successes.” It is the natural inclination of the White House to claim credit for successes and deflect responsibility for failures. (President John F. Kennedy, after the Bay of Pigs fiasco, was an exception to this rule.) Much of what the IC does is done in secret and so “successes” are not advertised. But from Vietnam to Afghanistan, the IC’s skeptical assessments of the long-term prognosis for success of American policies have been

closer to the mark than have those charged with formulating those policies. National Intelligence Estimates, for example, frequently identify trends well before they fully mature. In the public domain, the NIC's *Global Trends* reports are superior to virtually any other U.S. government research on future trends.

The common denominator frequently in all of these successes was that the IC was actually charged by their policy customers with producing long-range analysis, not simply answering the tactical mail.

The Policy Community

Richard Clarke, a holdover from the Clinton administration's NSC, wrote a January 25, 2001 memo to incoming NSC Advisor, Condoleezza Rice, stating "We urgently need such a Principals level review on the al-Qida [al-Qaeda] network," echoing warnings that would come out of the IC in the days, weeks, and months thereafter. The incoming Bush administration was not seized with the same urgency and put off the recommended review. The meeting was never held and not until 9/11 was the new administration's attention to al-Qaeda fully engaged.²⁷

This is not the place to try and settle whether the IC adequately warned President Obama about the growing Islamic State threat in Iraq. Defense Intelligence Agency Director Michael Flynn (who later achieved unwanted fame as President Trump's short-tenured national security advisor) testified in public on February 11, 2014 that "AQ/ISIL probably will attempt to take territory in Iraq and Syria to exhibit its strength in 2014, demonstrated recently in Ramadi and Fallujah, and the group's ability to concurrently

²⁷ George Tenet, *At the Center of the Storm: My Years at CIA* (New York: HarperCollins, 2007) p.143.

maintain multiple safe havens in Syria.”²⁸ Director of National Intelligence James Clapper admitted in a September 2014 interview that “we underestimated ISIL and overestimated the fighting capability of the Iraqi army.”²⁹ President Obama did not order air strikes against the Islamic State in Syria until more than six months after Flynn’s public testimony. (From Vietnam, to Iraq, to Afghanistan, the U.S. record for accurately assessing the enemy’s “will” to fight has not been impressive.) At best, there was shared responsibility between policymakers and intelligence analysts for the slow U.S. response to the rise of the Islamic State.

Paul Pillar, a retired CIA Middle East analyst who has written insightfully about intelligence/policy relations, argued that:

On major foreign-policy decisions...whether going to war or broadly rethinking U.S. strategy in the Arab world...intelligence is not the decisive factor. The influences that really matter are the ones leaders bring with them into office: their own strategic sense, lessons drawn from history or personal experience, the imperatives of domestic politics, and their own neuroses.³⁰

The more time a senior official spends in office the more likely he or she is to become his or her own intelligence analyst, particularly when vast amounts of raw information—both classified and

²⁸ Lt. General Michael Flynn, “Annual Threat Testimony,” Senate Armed Services Committee testimony, February 11, 2014, https://www.armed-services.senate.gov/imo/media/doc/Flynn_02-11-14.pdf.

²⁹ David Ignatius, “James Clapper: We underestimated the Islamic State’s ‘will to fight,’” *The Washington Post*, September 18, 2014, https://www.washingtonpost.com/opinions/david-ignatius-we-underestimated-the-islamic-state-james-clapper-says/2014/09/18/f0f17072-3f6f-11e4-9587-5dafd96295f0_story.html?utm_term=.5fdefed3e2b0.

³⁰ Paul A. Pillar, “Think Again: Intelligence,” *Foreign Policy*, January 3, 2012, <http://foreignpolicy.com/2012/01/03/think-again-intelligence/>.

unclassified—are pouring into the White House. **At present, absent crisis, the IC cannot easily force emerging issues onto policy agendas. An added challenge is that harried, overburdened policymakers are too prone to let the urgent issues crowd out the important ones.**

Further, there exist profoundly different bureaucratic cultures and assumptions within the IC and other executive branch agencies. Intelligence analysts are, by profession, skeptical; decision makers are vested in the success of their policy choices. The former struggle to find opportunities for policy initiatives, the latter see them everywhere. The former are more likely to be career officers; decision makers, at the senior levels, are frequently short-term political appointees.

Jack Davis, who wrote insightfully on the policy-intelligence divide, recalled that a **“thoughtful senior policy official has opined that the most potentially devastating threats to U.S. interests start as being evaluated as unlikely.”**³¹ As noted above, the IC (and Clinton administration holdovers) found it difficult to get the attention of incoming Bush administration officials in 2001 with respect to the al-Qaeda threat to the homeland. Nobel Prize-winning economist Thomas Schelling argued that “there is a tendency in our planning to confuse the unfamiliar with the improbable.”³² This seems to have been the case in 2001—until the Twin Towers came down.

³¹ Nathan Freier, “Known Unknowns: Unconventional ‘Strategic Shocks’ in Defense Strategy Development,” U.S. Army War College, November 2008, p. 1, <https://ssi.armywarcollege.edu/pdffiles/PUB890.pdf>.

³² Thomas Schelling’s foreword to Roberta Wohlstetter, *Pearl Harbor: Warning and Decision* (Stanford, CA: Stanford University Press, 1962), p. vii.

The 9/11 example illuminates what may be the period of the greatest strategic vulnerability for the United States: after the inauguration of a new president and before the new team has settled into place and mastered their briefs. The challenge is made greater by virtue of the increased reliance that presidents of both political parties place on untested and unprepared political appointees in key positions. (This is a particularly worrisome trend in the Department of State, where political appointees fill many senior positions.) The new officials, in an incoming administration, may have spent the previous couple of years denigrating the foreign policy choices of their predecessors and are perhaps unwilling to believe that continuity in foreign policy can be a virtue.

The time horizons of political appointees—and even some career civil servants—are limited. In the best of times, the U.S. government bureaucracy is in a constant state of staff turnover. For example, a 2014 *Washington Post* article on the Department of Homeland Security stated that “the department’s terrorism intelligence arm...has cycled through six directors during the Obama administration, decimating morale and contributing to months-long delays in releasing intelligence reports, according to interviews and government reports.”³³ The Trump administration has had three national security advisors and two secretaries of state in its first 17 months in office.

As an administration matures in office, knowledge, confidence, and sometimes arrogance in policy departments increase. Moreover, policymakers develop a finer sense of what they do not want to do.

³³ Jerry Markon, Ellen Nakashima, and Alice Crites, “Top-level turnover makes it harder for DHS to stay on top of evolving threats,” *The Washington Post*, September 21, 2014, https://www.washingtonpost.com/politics/top-level-turnover-makes-it-harder-for-dhs-to-stay-on-top-of-evolving-threats/2014/09/21/ca7919a6-39d7-11e4-9c9f-ebb47272e40e_story.html?utm_term=.26e0e0312f56.

This tendency may explain much of the Obama administration's actions or inactions in the Middle East and the failure of the George W. Bush administration to decisively counter the North Korean and Iranian nuclear programs, or Putin's moves in Georgia.

The first year and a half of the Trump administration suggests that his new appointees are not exceptions to this pattern of behavior. Reversing Obama administration policy choices seems a driving passion among Trump personnel and the president himself. Moreover, the appointment process has been slower than at any time in recent memory and the turnover in senior officials is virtually unprecedented. This dysfunctional process means that critical national security agencies are staffed at senior levels by acting career officers, who are awaiting Trump administration appointees but lack the clout and credibility to act decisively. Foreign policy decision making in the Trump administration seems centered on narrow groups (McMaster, Mattis, and Tillerson; now Bolton, Mattis, and Pompeo). Moreover, President Trump himself seems to be driving decisions, with strategic implications, from the top down and too frequently without adequate staffing or appreciation of the unanticipated consequences of these decisions. **It is becoming increasingly clear, as of this writing, that the president's settled views on the importance of alliances and America's role in the world are very different than those held by his predecessors.**

Structural Impediments

The very structure of the U.S. government works against anticipatory action. In the best of times, it is large and unwieldy, with overlapping authorities and responsibilities. The staff of the National Security Council grew during the Obama years and became increasingly “operational,” to the frustration of a number of cabinet secretaries, who felt micro-managed by White House staff.³⁴ The Obama NSC was heavy on endless meetings and light on decisive decisions. Over the decades, many layers and offices have been added across the federal government—sometimes at Congressional initiative.

Growth in the Pentagon bureaucracy defies logic or belief. The Pentagon’s budget, staffing, and planning culture overwhelm the resources that other agencies, such as the Treasury and Energy departments, can bring to inter-agency deliberations. The State Department became top heavy with special envoys, who competed with regional bureaus. The Policy Planning Staff in the State Department has too often been relegated to speech writing for the secretary of state. The congressionally mandated Office of the Director of National Intelligence (ODNI), created in 2004, added yet another layer to an IC already top heavy with collecting and analyzing agencies—17 in all. However, the ODNI has, on balance, contributed to better coordination within the component agencies of IC.

A great deal of U.S. government attention is devoted to understanding, addressing, and building consensus within government with respect to policies to deal with existing threats

³⁴ Chester A. Crocker, Daniel Levin, David C. Miller, Jr. and Thomas R. Pickering, “A Foundational Proposal for the Next Administration,” Atlantic Council, June 23, 2016, <http://www.atlanticcouncil.org/publications/reports/a-foundational-proposal-for-the-next-administration>.

and challenges. (The Trump administration may be breaking the pattern with its tendency to drive decisions from the top down rather than the bottom up. This leaves the bureaucracy with the task of cleaning up after poorly constructed presidential initiatives.) There is little energy, time, or desire to address challenges that have not yet emerged—or may not emerge—at least in a given presidential term.

Facts on the ground can change as Washington deliberates. Witness the progression of the Iranian and North Korean nuclear programs during successive U.S. administrations.

There are, of course, institutional exceptions to this focus on current versus long-range issues—for example, DoD’s Quadrennial Defense Review (QDR) and, in the Obama administration, the Quadrennial Diplomacy and Development Review. But the QDR was typically undertaken without the benefit of a White House-driven national security strategy. This “future avoidance syndrome” in the U.S. government has led former NSC staffer Aaron Friedberg to argue that the **“U.S. government has lost the capacity to conduct serious, sustained strategic planning.”**³⁵

The Trump administration deserves credit for moving quickly to produce a National Security Strategy document in its first year and prior to the release by the Pentagon of the National Defense Strategy.

The documents U.S. planners rely on the most to identify long-term trends are the NIC’s *Global Trends* series, issued every four years. Ironically, these reports do not reflect the considered judgments of

³⁵ Aaron L. Friedberg, “Strengthening U. S. Strategic Planning,” *The Washington Quarterly*, Volume 31, Number 1, Winter 2007-08, p. 47, https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/twq08winterfriedberg.pdf.

the IC on the future but rather draw on the best wisdom obtained from experts outside of government and, in many cases, outside of the United States. *Global Trends 2030*, for example, did not contain information that contradicted IC judgments, but it certainly was not an IC-coordinated document and did not systematically canvass other government agencies such as State, Treasury, or Energy. (These *Global Trends* reports are, nonetheless, very valuable documents and are important “outreach” vehicles for the IC, but they have their limitations.)

Decision makers at senior levels receive vast flows of information—including from the IC—but lack an effective system of triage for establishing national security priorities and driving policies and resources towards those priorities. A 2009 Defense Science Board report on surprises found “there is no systematic mechanism in place within DoD or the interagency to help decide which events to act on aggressively, which to treat to a lesser degree, and which to ignore, at least for the time being.”³⁶ The NSC might once have served that role, but in recent administrations it has become an operational arm of the White House, driven by the president’s inbox and undermined by constant staff turnover. There are emerging problems everywhere that would benefit from early analysis, deliberation by senior officials, and timely action.

Too often, the issue is less surprise than inattention or the inability of analysts to lay out a persuasive case for action before an emerging trend becomes a crisis.

³⁶ Defense Science Board, “Capability Surprise, Volume I: Main Report,” September 2009, p. viii, <http://www.acq.osd.mil/dsb/reports/2000s/ADA506396.pdf>.

3. ARE THE PROBABILITIES OF SURPRISE INCREASING?

From the expanding use of robotics and 3D printing, to rising cyber threats to the global information technology infrastructure, to the increasing challenges to U.S. interests from Russia and China, to fractured politics in the U.S. and elsewhere—consequential change seems to be in the air. (Appendix 2 of this paper offers an illustrative list of “surprises” that required leaders to make policy shifts.)

Many “surprises,” as noted earlier, are evolutionary and cumulative rather than rapid and one-off. Many are susceptible to misdiagnosis. For example, many analysts assumed that growing wealth and an expanding middle class in China would lead to greater personal freedom for the Chinese people. This has not occurred.

There is a German saying that translates as “trees do not grow to the sky.” Trends can accelerate (global warming), falter (multilateral trade regimes), reverse (global expansion of democracy), or be affected by random events (Japan’s nuclear energy production). When issues are piling up, it can be difficult to determine what the trajectories of each will be. It is particularly difficult to assess the implications and ripple effects of tectonic shifts.

President Obama had to face a number of such shifts: the Arab Spring and the fall of key leaders in the Middle East; the rise of the Islamic State and potential collapse of the Iraqi state, leading in time, perhaps, to an independent Kurdistan; Putin’s surprising decisions to absorb Crimea and send Russian troops into Eastern Ukraine and Syria, as well as the use of “active measures” to interfere in U.S. elections; an Ebola epidemic in West Africa with death rates

contributing to fears of an economic collapse in key African states and the threat that the disease could spread beyond Africa; and a new leader in China, who began to consolidate internal authority faster, with less attention to the niceties of “collective” decision making than his recent predecessors—and who proved willing to assert Chinese power in its regional neighborhood in ways disturbing to U.S. policymakers. This list could be extended to include the Saudi and United Arab Emirates’ interventions in Yemen, uneven global economic growth, and severe strains in the European Union stimulated by refugee flows from the Middle East and Africa. All of these events forced the Obama administration to fundamentally adjust its policies on a range of issues. The “retrench” president became the “war” president in his use of drones and other kinetic measures against non-state actors. He was succeeded by a political outsider, apparently determined to challenge policies and assumptions held by not only President Obama but virtually all of his predecessors. President Trump has questioned or reversed inherited policies on trade, climate, nuclear proliferation, U.S. alliances, and immigration, to say nothing of Russia.

The Chairman of the Joint Chiefs of Staff in 2012, General Martin Dempsey, declared that, “in my personal military judgment, formed over 38 years, we are living in the most dangerous time in my lifetime, right now.”³⁷ In 2014, Director of National Intelligence James Clapper, argued, “we are facing the most diverse set of threats I’ve seen in my 50 years in the intelligence business.”³⁸ Clearly, the world Clapper and Dempsey were watching did not become more benign with the passage of time.

³⁷ Martin Dempsey, quoted in Christopher A. Preble, “The Most Dangerous World Ever?” Cato Policy Report, September/October 2014.

³⁸ David Ignatius, “James Clapper, we underestimated the Islamic State’s ‘will to fight.’”

Former Secretary of State Henry Kissinger echoed these sentiments in his 2015 testimony on Capitol Hill:

The problem of peace was historically posed by the accumulation of power, the emergence of a potentially dominant country threatening the security of its neighbors. In our period, peace is often threatened by the disintegration of power—the collapse of authority into ‘non-governed spaces’ spreading violence beyond their borders and regions.³⁹

Distinguished former U.S. ambassador and special envoy James Dobbins offered a sharp rejoinder to the thesis that the world is experiencing unprecedented change and challenges. Dobbins noted that the 20th century was filled with transformative technological innovations with equal or greater impact than the IT revolution unfolding today. He cited electricity, the telephone, the airplane, and the combustion engine. He also noted, in response to those who argue that America is in decline, that the United States faces a China challenge and “that is it.” Moreover, he pointed out that U.S. GDP has remained roughly constant as a percentage of global GDP since the 1970s. He agreed that the Middle East is in chaos but observed that most of the rest of the world is not. Indeed, he pointed out that the incidence of interstate conflict has been in decline. Finally, he does not believe that the threats to the United States are as or more pressing than during the Cold War, when both the Cuban missile crisis and the Vietnam War risked conflict with another major power.⁴⁰

³⁹ Henry Kissinger, testimony before the Senate Armed Services Committee, January 29, 2015.

⁴⁰ Summary of remarks by Ambassador Dobbins at an Atlantic Council panel discussion entitled “U.S. Strategy for a World in Transition” on April 22, 2015, <http://www.atlanticcouncil.org/blogs/new-atlanticist/defining-us-strategy-for-a-world-in-transition>.

Both lines of argument have merit. The contemporary era is complex and threats are multiplying, but it is unclear that President Harry Truman would have been fully sympathetic to General Dempsey. Truman, after all, virtually simultaneously, had to decide whether to use nuclear weapons; whether and how to respond to Soviet aggression; how to accommodate the aspirations for independence of much of colonial Africa, the Middle East, and Asia; how to deal with the “loss” of China; how to create new international organizations; and how to accommodate the rapid demobilization of millions of American servicemen. Moreover, during the Cold War, the potential risk of a superpower nuclear war was ever present, to say nothing of the risk that Soviet divisions would come streaming through the Fulda Gap.

However, in 1950, the world’s population was 2.5 billion; now it is over 7 billion and climbing. The climatic pressures on our planet are clearly of an entirely different order than in Harry Truman’s day. World War I claimed 17 million casualties, while 50 to 80 million perished in World War II. Imagine the potential loss of life on a much more crowded planet if nuclear weapons were used today.

Dempsey, Clapper, and Dobbins are essentially offering their judgments on the contemporary period. Dobbins may be right that the incidence of interstate conflict has declined in recent years, though that trend may be reversing, but if his time frame is widened to encompass the last 100 years, the picture is very different—two “world” wars and additional major conflicts in Asia, the Middle East, and the Balkans, to say nothing of the incidences of mass genocide in Europe, Asia, and Africa. Whatever the global trends in interstate conflict, the United States has been at war for roughly 18 of the last 25 years.

The central questions for planners remain: Should we anticipate a more dangerous and disruptive future and are U.S. policymakers likely to be “surprised” by what is to come? The answer to both questions is yes.

American futurist scholar Peter Schwartz wrote in 2003:

In the coming decades we face many more inevitable surprises: major discontinuities in the economic, political and social spheres of our world, each one changing the ‘rules of the game’ as it is played today. **If anything there will be more, not fewer, surprises in the future, and they will be interconnected.**⁴¹

This last point is critical. French political scientist Thierry de Montbrial argued that, “seen in classical terms of relations between powers, the greater danger threatening the international system in the 21st century is the risk of chain reaction.”⁴² Schwartz and de Montbrial each pointed to what is at the heart of a growing concern about the future—and what may make the future profoundly different than the past. **A “wired,” interconnected world has many benefits for commerce, communication, and knowledge, but it also raises the risk level for surprising and disruptive events triggered in one spot and transmitted rapidly around the globe either by a contagion effect—à la Arab Spring—or by direct linkages of one event to the next.**

⁴¹ Peter Schwartz, *Inevitable Surprises: Thinking Ahead in a Time of Turbulence* (New York: Gotham Books, 2003), p. 4.

⁴² Thierry de Montbrial, “What is a 21st century power?” speech given before the Académie des Sciences Morales et Politiques on January 7, 2013, http://www.thierrydemontbrial.com/wp-content/uploads/2014/03/21century_power.pdf.

Consider, for example, the 2011 earthquake off the coast of Japan, which led to a tsunami, which engulfed the Fukushima Daiichi nuclear power plant, which resulted in the meltdown of three of the plant's six nuclear reactors, which triggered a decision by the Japanese government to shut down most of Japan's nuclear plants, which meant that Japan had to find alternative sources of energy on world markets, which contributed to keeping world energy prices high until other factors intervened to drive prices down. What began as an earthquake ended up shutting down a major source of clean energy for one of the world's largest economies.

Population growth and density, communication technologies, including social media, historically high air travel (in excess of 4 billion passenger flyers in 2014), and accelerating climate change all ensure that the impact of disruptive surprises will be communicated more widely and more rapidly and will place larger populations at risk. For example, India's population in 1980 was 687 million and Pakistan's was 80 million. Today, India's population has roughly doubled, to 1.2 billion, while Pakistan's population has more than doubled to 186 million. By definition, the impact of a nuclear exchange, health pandemic, or disruptive weather event will affect far larger populations in South Asia. Moreover, Pakistan is developing tactical nuclear weapons, for possible use in a future conflict with India. Large swathes of Pakistani territory are not under the full control of the central government, including sections of the port city of Karachi, with a metropolitan population in excess of 23 million. **Non-state actors based in Pakistan could trigger a conflict between the major states of South Asia.**

Key uncertainties, illustrated by these examples, are identified in the NIC's *Global Trends 2030: Alternative Worlds*, issued in December 2012 and the succeeding document in the series, *Global Trends: Paradox of Progress*, released in January 2017. *Global Trends 2030* describes megatrends that are transforming the planet. Some of these

point to very good news indeed—a rising middle class, for example, is spreading global wealth. But even with this good news there are downsides. Between now and 2030, the earth’s population will increase from over 7 billion to over 8 billion people, and the middle class will at least double, to 2 billion or more—sharply increasing the demand for food, energy, and water, and in the process potentially accelerating climate change. The U.S. Energy Information Administration projected in September 2017 that “world energy consumption will grow by 28% by 2040, spurred by demand in non-OECD countries.”⁴³ *Global Trends 2030* projects that demand for food is set to rise by 35% by 2030.⁴⁴

This report also argues that power is also diffusing to a widening circle of state and non-state actors. U.S. sway is, in relative terms, diminishing. Other leaders are simply more prepared to say “no” to Washington and, critically, they are likely to care more about their regional issues than does the United States. Ukraine and Syria are unfortunate illustrations of this problem. **The United States retains enormous power, but it is also experiencing a sharp erosion of its influence. In the Middle East, for example, the United States has not had a clear foreign policy success in many years even granting the gains thus far against the Islamic State.**

The NIC’s 2017 report is, if anything, more pessimistic than its predecessor document, and offers a “bottom line” that:

Between states, the post-Cold War, unipolar moment has passed and the post-1945 rules based order may be fading too. Some major powers and regional aggressors will seek to assert interests through force but will find results fleeting as they discover

⁴³ U.S. Energy Information Administration, “EIA projects 28% increase in world energy use by 2040,” EIA, September 14, 2017.

⁴⁴ *Global Trends 2030: Alternative Worlds*, p. 31.

traditional, material forms of power less able to secure and sustain outcomes in the context of proliferating veto players.⁴⁵

Military planners in 2000 did not anticipate that the United States would shortly embark on the longest war in its history, fought virtually entirely against non-state enemies, and that the U.S. Army would become, in effect, an army of nation builders. Today's prudent planners are thinking about cyber-attacks, hybrid war in the Putin mode, and precision strike weapons that can place U.S. fleets and bases at risk. The Trump administration is warning of the rising risk of great power conflict. Eliot Cohen, who writes insightfully on national security matters and thinks strategically, argued in his latest book that "chances are growing that the United States will find itself using military power chronically, and varying levels of intensity, throughout the early decades of the twenty-first century."⁴⁶ Given the experience of the last 17 years and before, it is hard to argue that Cohen is exaggerating.

The United States is likely to be "surprised" more frequently going forward, meaning that government officials will regularly be confronted with the need to make significant policy adjustments in the face of new realities. Their ability to anticipate these new realities and adjust in timely ways will remain constrained, unless the government changes the way it prepares for uncertainty. Old assumptions about U.S. power and influence will have to be revisited. This requires devoting more systematic and sustained attention to anticipation, throughout our government. Resilience will be key, but resilience is a scarce commodity in times of tightening budgets. Because not every contingency can be anticipated, sufficient government capacity must be maintained not

⁴⁵ *Global Trends: The Paradox of Progress*, p. 6.

⁴⁶ Eliot Cohen, *The Big Stick: The Limits of Soft Power and the Necessity of Military Force*, Basic Books, 2016, p. xii.

only to carry out the functions of government but also to hedge against uncertainty. It is for this reason that the United States has a Strategic Petroleum Reserve, maintains 11 carrier strike groups, has roughly 15,000 diplomats operating in over 300 missions around the world, and employs thousands of intelligence community professionals. Reducing this capacity means increasing risk. **Much of the debate over budgets is really a debate about acceptable risk, both domestic and foreign.**

This paper identified three categories of surprise: tactical, system shocks, and tectonic transformations. Risks are rising in each. (Note: I have only included brief illustrative examples of possible surprises here. Appendix 1 provides a longer list of “What if”-type questions.)

A) Tactical risks are on the rise

General Martin Dempsey, in the 2014 “Chairman’s Assessment of the Quadrennial Defense Review,” wrote:

In the next 10 years, I expect the risk of interstate conflict in East Asia to rise, the vulnerability of our platforms and basing to increase, our technology edge to erode, instability to persist in the Middle East, and threats posed by violent extremist organizations to endure. Nearly every conflict will occur at a much faster pace and on a more technically challenging battlefield. And, in the case of U.S. involvement in conflicts overseas, the homeland will no longer be a sanctuary for our forces or our citizens.⁴⁷

⁴⁷ “Chairman’s Assessment of the Quadrennial Defense Review,” 2014.

This, of course, was “only” the perspective of the nation’s top military officer. Consider if his views about the future were joined with those of the Secretary of the Treasury, the Administrator of the Environmental Protection Agency, and the Administrator of the Agency for International Development. Together, these senior officials and others could give a more comprehensive assessment of risks the United States faces going forward.

U.S. vulnerabilities to cyberattack remain high and are growing. Former Deputy Secretary of State William Burns and Jared Cohen, president of Jigsaw, a Google spin-off that looks at technology solutions to geostrategic challenges, recently observed, “These [cyberattack] capabilities could set the stage for a catastrophe—imagine a cyberattack that brought down the Manhattan electric grid coordinated with physical attacks on multiple targets. We must prepare for these sorts of scenarios.”⁴⁸ In March 2018, the Department of Homeland Security reported broad, successful efforts by Russian state hackers to intrude into U.S. critical infrastructure networks.

The IC is devoting significant attention to the cyber issue. However, senior-level policy attention to and their familiarity with the technical features of this challenge have been behind the curve of technological change in successive administrations. The U.S. government is too compartmentalized on this sensitive issue, to be able to bring coordinated attention to it. Stakeholders are too scattered across public and private sectors. Tactical attacks by non-state or state actors—perhaps in conjunction with other events such as a regional conflict—could catch policymakers by surprise, with negative strategic consequences for the United States.

⁴⁸ William J. Burns, Jared Cohen, “The Rules of the Brave New Cyberworld,” *Foreign Policy*, February 16, 2017, <http://foreignpolicy.com/2017/02/16/the-rules-of-the-brave-new-cyberworld/>.

We know from the unanimous January 2017 IC report, “Assessing Russian Activities and Intentions in Recent US Elections,” that President Vladimir Putin ordered active measures to undermine the integrity of the U.S. 2016 elections.⁴⁹ Further, DNI Daniel Coats’ 2017 “Worldwide Threat Assessment” warned that, “In 2017, Russia is likely to be more assertive in global affairs, more unpredictable in its approach to the United States, and more authoritarian in its approach to domestic politics.”⁵⁰ His 2018 update echoed that warning, stating that “Russia, China, Iran, and North Korea will pose the greatest cyber threats to the United States during the next year.”⁵¹ In other words, we should expect tactical surprise from Russia, and potentially other state actors, in 2018 and beyond.

The U.S. remains mired in Afghanistan with little prospect of a positive conclusion to that conflict. China poses a growing threat to U.S. interests in the South China Sea. North Korea’s nuclear challenge to the United States and its allies was growing with every new missile test, and it is unlikely that the face-to-face Trump-Kim meeting and follow-up discussions will succeed in completely removing that challenge. Fissures in the Gulf Cooperation Council over Qatar and an impulsive crown prince in Saudi Arabia promise rising risks of unwelcome surprises in the Persian Gulf region. The defeat of the Islamic State in Iraq and Syria increases the possibility of Washington being drawn into clashes with Iran, Russia, or Syria as borders and national identities are sorted out in Iraq and Syria.

⁴⁹ “Assessing Russian Activities and Intentions in Recent US Elections,” Intelligence Community Assessment. January 6, 2017.

⁵⁰ Daniel R. Coats, Director of National Intelligence, “Statement for the Record, Worldwide Threat Assessment of the US Intelligence Community,” May 11, 2017, p. 18, <https://www.dni.gov/index.php/newsroom/congressional-testimonies/item/1757-statement-for-the-record-worldwide-threat-assessment-of-the-u-s-intelligence-community-before-the-ssci>.

⁵¹ Daniel R. Coats, Director of National Intelligence, “Statement for the Record, Worldwide Threat Assessment of the US Intelligence Community,” February 13, 2018, <https://www.dni.gov/files/documents/Newsroom/Testimonies/2018-ATA---Unclassified-SSCI.pdf>.

The risks of an Israeli-Iranian conflict are rising. The U.S. withdrawal from the Iran nuclear deal raises the risks of regional nuclear proliferation. U.S. sanctions on Iran and on our NATO ally Turkey will almost certainly have unintended effects. While the United States could face tactical surprises in the region, these conflicts are also likely to further erode the U.S. strategic position in the region—perhaps to Russia’s benefit. This would pose a system shock.

B) The increasing risk of system shocks

So what unstoppable global forces will drive the next stage of the 21st century? My answer to that can be summed up in one big (and unfortunately, rather gloomy) idea: the systemic crisis. This is all about our complexity and interconnection, which serves us so well in so many ways ultimately leading to a crisis of crises.

—Peter Schwartz ⁵²

Schwartz captures a profound truth about the contemporary era: crisis in one country cannot be contained easily or effectively. Contagion, the speed of contagion, and linkages between crises are the new normal.

There are many recent examples of systemic shocks—the diminishing Chinese commodity demand contributing to economic problems for emerging economies worldwide, including a precipitous drop in global oil prices beginning in 2014—a consequence of converging factors, including lower global demand

⁵² Peter Schwartz, *Learnings from the Long View*, Global Business Network, 2011, p. 36.

and expanding U.S. oil and gas production. (Prices climbed from earlier lows in 2018 but uncertainties in global energy markets continue.)

The Federal Reserve and Treasury Department, to say nothing of private sector analysts, are expending significant resources on identifying vulnerabilities in the U.S. and global economies. Senior policy officials, who are all too familiar with the potential consequences of another financial downturn, are well-versed in economic opportunities and challenges going forward. Deutsche Bank came out with an ominous report on September 18, 2017, warning of historically high worldwide asset prices, leading John Authers at the *Financial Times* to observe, “that the sheer range of disaster scenarios shows that the experts at Deutsche simply do not know what will happen next.”⁵³

There is no consensus about the risks of what former Treasury Secretary Lawrence Summers calls “secular stagnation—the difficulty in maintaining sufficient economic demand to permit normal levels of output.”⁵⁴ We do know that the unprecedented retirement of a large bloc of American baby boomers is contributing to great uncertainty about the future. So is the transformation of the U.S. labor market. A 2013 Oxford University study found that “45 percent of American jobs are at high risk of being taken by computers within the next two decades.”⁵⁵ Many experts are now

⁵³ John Authers, “Time spent thinking about the next financial crisis is not wasted,” *Financial Times*, September 22, 2017.

⁵⁴ Lawrence Summers, “Supply issues could hamper the U.S. economy,” *The Washington Post*, September 7, 2014, https://www.washingtonpost.com/opinions/lawrence-summers-supply-issues-could-hamper-the-us-economy/2014/09/07/274ce00c-352f-11e4-9e92-0899b306bbea_story.html?utm_term=.406270a956d4.

⁵⁵ Aviva Hope Rutkin, “Report Suggests Nearly Half of U.S. Jobs Are Vulnerable to Computerization,” *MIT Technology Review*, September 12, 2013, <https://www.technologyreview.com/s/519241/report-suggests-nearly-half-of-us-jobs-are-vulnerable-to-computerization/>.

warning that intelligent machines will over time be able to carry out much of the work currently being done by mere humans. A recent *McKinsey Report* warned of profound shifts in the global economy, suggesting that “the globalization of digital products and services is surging, but traditional trade and financial flows have stalled, moving us beyond globalization.”⁵⁶ Globalization is under political attack by populists and nationalists in developed economies including the United States.

Critical for the U.S. role in the world is the risk of growth in entitlement spending and interest on the federal debt in the U.S. budget outpacing revenue increases. The U.S. government faces hard choices between funding these accounts and funding U.S. defense-related programs, to say nothing of other discretionary programs. According to the Congressional Budget Office (CBO), “At 77 percent of gross domestic product (GDP) federal debt held by the public is now at its highest level since shortly after World War II.”⁵⁷ The CBO projects interest costs on the debt, together with the costs of mandatory programs—particularly Medicare and Social Security—to rise sharply in the years ahead as 76 million baby boomers retire. It is not widely appreciated that over 70% percent of federal government expenditures—including interest on the debt—are “mandatory” costs, and largely untouched by annual congressional action. The annual costs of domestic and national security expenditures, in contrast, come under discretionary programs, and must seek congressional funding each year.

⁵⁶ Ezra Greenberg, Martin Hirt, and Sven Smit, “The global forces inspiring a new narrative of progress,” *McKinsey Quarterly*, April 2017, <http://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/the-global-forces-inspiring-a-new-narrative-of-progress>.

⁵⁷ Congressional Budget Office, “The Budget and Economic Outlook: 2017 to 2027,” January 2017. According to the CBO, “Mandatory spending is generally governed by provisions of permanent law, whereas discretionary spending is controlled by annual appropriation acts.”

In FY 2016, according to the CBO, actual mandatory outlays were \$2,429 trillion (63% of outlays) and actual discretionary outlays were \$1,184 trillion (30% of outlays). Interest costs were \$240 billion (6% of outlays). The United States, absent increased revenues or cuts in entitlement programs, will face growing “guns vs. butter” choices.

There are many other “known unknowns.” Economists around the globe note the possibility that a number of potential bubbles within the Chinese economy could burst—from housing to debt to consumer credit, bringing about a sharp constriction in the Chinese economy. **The ripple effects of such a sharp Chinese downturn (as opposed to the current slowdown) could have profound political and economic consequences for a world that has come to rely on Chinese growth to fuel the global economy.** Indeed, the drop in Chinese GDP growth from 10.6% in 2010 to 6.7% in 2016 was a factor in the slow global recovery from the 2008 recession.

Other analysts have raised alarms about other types of potential system shocks. We are familiar with the impact of movement of people fleeing conflict or searching for economic opportunity but increasingly these migrants are being joined by those fleeing the environmental impacts of climate change. Migrants are, of course, the source of enormous political fissures in Europe and the United States. (More recently, significant numbers of Venezuelans are fleeing from the accelerating economic collapse of that country.)

There is, as well, a growing awareness that we are likely to see new global health threats. Bill Gates, the Microsoft founder and global health philanthropist, said recently that “[i]f anything kills over 10 million people in the next few decades, it is most likely to be a highly

infectious virus, rather than a war.”⁵⁸ A recent *Washington Post* article reported that, “Over the past three years, the Centers for Disease Control and Prevention has monitored more than 300 outbreaks in 160 countries, tracking 37 dangerous pathogens in 2016 alone.”⁵⁹

C. Increasing tectonic risks

The international situation facing the United States is unprecedented. What is occurring is more than a coincidence of individual crises across various geographies. Rather, it is a systemic failure of world order which, after gathering momentum for nearly two decades, is trending towards international systems erosion rather than its consolidation, whether in terms of respect for sovereignty, rejection of territorial acquisition by force, expansion of mutually beneficial trade without geoeconomic coercion, or encouragement of human rights.

—Henry Kissinger⁶⁰

Kissinger and many others warn of an erosion of the post-World War II liberal order, under assault from populist and nationalist rejection of many of the tenets of that “order.” Authoritarian

⁵⁸ Quoted in Ron Klain, “Stopping the next pandemic today,” *The Washington Post*, June 5, 2015, https://www.washingtonpost.com/opinions/stopping-the-next-pandemic-today/2015/06/05/8cf959bc-0ae8-11e5-a7ad-b430fc1d3f5c_story.html?utm_term=.4d74a958ecbb.

⁵⁹ Lena H. Sun, “The Trump administration is ill-prepared for a global pandemic,” *The Washington Post*, April 8, 2017, https://www.washingtonpost.com/national/health-science/the-trump-administration-is-ill-prepared-for-a-global-pandemic/2017/04/08/59605bc6-1a49-11e7-9887-1a5314b56a08_story.html?utm_term=.079a89076306.

⁶⁰ Henry Kissinger, “Opening Statement to Senate Armed Services Committee, January 25, 2018.

alternatives to Western models of governance and order may be increasingly attractive to those who have not benefitted from globalization. From Brexit to the rise of Donald Trump, disgruntled electorates have demanded an end to the era of borders relatively open to trade and movement of peoples.

The apparent rising stresses on democratic governance and improving prospects for authoritarian systems is a global shift, noted in the NIC's *Global Trends* reports. The 2017 report warned, "Publics will demand government deliver security and prosperity, but flat revenues, distrust, polarization, and a growing list of emerging issues will hamper government performance."⁶¹ Populist anger at governments around the world seems to be on the rise. The Pew Research Center, polling American attitudes, found "just 19% say they can trust the government always or most of the time, among the lowest levels in the past half century."⁶²

There exists, particularly in the West, a broad sense of elite failure and elite greed. Oxfam International, a UK-based NGO, reported in 2015 that "just 62 individuals had the same wealth as 3.6 billion people—the bottom half of humanity." Further, Oxfam found that "The richest 1% now have more wealth than the rest of the world combined."⁶³ **Anger over income inequality and a widespread feeling that the rules are stacked against the poor and the weak may replace the 20th century narrative about the potential for**

⁶¹ *Global Trends: Paradox of Progress*, p. 6.

⁶² "Beyond Distrust: How Americans View Their Government," Pew Research Center, November 23, 2015, <http://www.people-press.org/2015/11/23/beyond-distrust-how-americans-view-their-government/>.

⁶³ "An Economy for the 1%: How privilege and power in the economy drive extreme inequality and how this can be stopped," Oxfam Briefing Paper, January 18, 2016, https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/bp210-economy-one-percent-tax-havens-180116-en_0.pdf.

progress for all—and contribute to spreading populist rage and narrow nationalism.

Politicians and analysts alike are paying great attention to China's rise and the potential risks to U.S. interests that China's growing strength pose. The IC is actively engaged in efforts to identify and address gaps in our knowledge of the Chinese leadership's intentions, the growth of Chinese defense expenditures, and the expansion of Chinese influence. President Xi's consolidation of power suggests both vulnerabilities and opportunities for China going forward.

In 2017, Graham Allison published a book with a provocative title, *Destined for War: Can America and China Escape Thucydides's Trap?* Allison points to the risks of conflict when a rising power's interests collide with those of an established power. **The Sino-U.S. bilateral relationship may well be the single most important relationship—for good or ill—between any two states in the 21st century.** If Sino-U.S. relations go off track, this would be a tectonic shift long in the making, and one that is potentially catastrophic for mankind. (Appendix 3 outlines “alternative futures” for Sino-U.S. relations.)

There are other tectonic shifts that may be as consequential, but do not yet attract robust analytic attention. Climate change, for instance, does not lack serious analysis from the scientific community or even intense press coverage, but its unpredictable nature increases the potential for surprise. A recent *New York Times* headline captured rising fears of growing climate risks—“Antarctica Is Melting Three Times as Fast as a Decade Ago.”⁶⁴

⁶⁴ Kendra Pierre-Louis, “Antarctica Is Melting Three Times as Fast as a Decade Ago,” *The New York Times*, June 13, 2018.

One of the greatest uncertainties on the global landscape at present is the future role and behavior of the United States. This is not the place to fully assess President Trump’s first year and a half in office. It is worth noting, however, that he is the fourth elected president of the United States in a row who has come to office with little or no prior foreign policy experience. Indeed, presidents Clinton, Bush, Obama, and Trump all defeated opponents with stronger national security credentials, but this was not the experience that American electorates were looking for in 1992, 2000, 2008, and 2016. Rather than “Washington experience,” electorates rewarded candidates promising to “change” Washington. Over this period, the United States has seen a dramatic decline in its global influence and reputation from the heady days following the collapse of the Soviet Union to May 2017, when German Chancellor Angela Merkel opined that Europe could no longer rely on the United States, echoing reservations expressed by friends and allies in Asia and the Middle East. Years ago, renowned political scientist Samuel Huntington asked, “If American citizens don’t trust their government, why should friendly foreigners? If American citizens challenge the authority of the American government why shouldn’t unfriendly governments?”⁶⁵ The question Huntington asked in 1975 is, if anything, more relevant now than it was when he first asked it.

The Trump presidency has accelerated trends that predate his presidency. According to a June 2017 Pew Research Center “survey spanning 37 nations, a median of just 22% has confidence in Trump to do the right thing when it comes to international affairs.”⁶⁶ In the

⁶⁵ Carlos Lozada, “Samuel Huntington, a prophet for the Trump era,” *The Washington Post*, July 18, 2017.

⁶⁶ “U.S. Image Suffers as Publics Around the World Question Trump’s Leadership,” Pew Research Center, June 26, 2017, http://www.pewglobal.org/2017/06/26/u-s-image-suffers-as-publics-around-world-question-trumps-leadership/?utm_content=buffer7d740&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer.

21st century, the United States has been mired in inconclusive conflict in the Middle East; has teetered on the brink of financial collapse in 2008; has walked away from arms control, trade, and climate agreements negotiated by previous administrations; and has exhibited continuing debilitating partisan divisions at home. **The United States has become a geostrategic variable itself—an uncertain force on the world scene, a power that appears hesitant to lead or cooperate.**

Current U.S. national security officials do not deny this judgment, it seems. President Trump’s former national security advisor and his former National Economic Council director wrote in 2017 in the *Wall Street Journal* that, “The President embarked on his first foreign trip with a clear-eyed outlook that the world is not a ‘global community’ but an arena where nations, nongovernmental actors and businesses engage and compete for advantage. We bring to this forum unmatched military, political, economic, cultural and moral strength. Rather than deny this elemental nature of international affairs, we embrace it.”⁶⁷

President Trump has questioned in word and deed the very fundamentals of post-World War II U.S. foreign policy—a commitment to a liberal international order, to expanding free trade, and to an alliance structure intended to secure our friends and safeguard U.S. interests. He has stoked anger and push back among our closest allies by his seemingly cavalier rejection of their views on a wide range of issues. In recent months, the Trump administration’s ready resort to trade sanctions and tariffs on U.S. friends and rivals are adding to accelerating pessimism about America’s future global role.

⁶⁷ H.R. McMaster and Gary D. Cohn, “America First Doesn’t Mean America Alone,” *The Wall Street Journal*, May 31, 2017, <https://www.wsj.com/articles/america-first-doesnt-mean-america-alone-1496187426>.

Assessing the U.S. position in the world is an issue on which the IC can only make modest contributions, given its mandate to focus on “foreign” intelligence and not on an objective analysis of U.S. strengths and weaknesses. Yet, **the United States as a geopolitical variable may prove to be one of the most important tectonic shifts going forward.** Despite the platitudes about how the United States always bounces back from difficulty, the current crisis of domestic governance may prove to be structural and enduring.

U.S. domestic missteps come at a time when U.S. allies are weak and preoccupied—and when authoritarian states like Russia and China are offering profoundly different narratives about how to preserve world order. In China’s case, Beijing is prepared to step up and offer significant financial support in order to influence other nations and guide change according to Chinese preferences. Russia, in contrast, appears determined to actively undermine democracies, wherever they may be.

Three observations seem pertinent at this point. **First**, the current U.S. president and his successors will face multiple, significant, and competing challenges across a wide range of issue areas. **Second**, some of these challenges will come as “out of the blue” events (such as a pandemic, natural disaster, or cyberattack). Others will mature over time but will not receive sufficiently prompt attention to force early policy adjustments (for example, rising tensions between Pakistan and India or the possibility that a two-state Arab-Israeli peace agreement is no longer an achievable option). Still other challenges will be well recognized, but largely ignored because the United States will be unable to achieve a national consensus on a response (as is the case now with infrastructure funding and immigration reform). **Third**, the world is likely to become much more complex, with changes occurring more rapidly, and shifts in public policy are likely to lag woefully behind these rising risks.

Fundamental to a world of rising risk is an evolving crisis of national and global governance.

What is to be done to avoid or prepare for this gloomy future? Obviously smart policies are essential, but to get to “smart” we need smart analysis of the challenges facing the United States—both domestic and foreign—and the options available to address them.

4. WHAT IS TO BE DONE?

The U.S. government could take steps now to reduce uncertainty for policymakers and improve anticipation. However, as noted earlier, absent a dramatic national security crisis it is likely that budget constraints will force tough choices on U.S. policymakers in terms of policy priorities and budgetary expenditures. Director of the Office of Management and Budget Mick Mulvaney described the Trump administration budget last year as a “hard-power budget.”⁶⁸ To get there, the administration proposed drastic cuts in U.S. “soft power,” including the State Department budget. The 2018 Trump budget was little different in terms of its priorities. But, as noted earlier, the president’s inbox of global crises is overflowing. Few analysts believe the United States can fight its way out of every difficulty or that problems left unattended will disappear. All this comes at a time when no one can say with great confidence that either the U.S. economy or the global economy is completely out of the woods and destined for robust growth going forward. In fact, the National Intelligence Council states in its latest *Global Trends Report* that, “During the next five years, the global economy will continue to

⁶⁸ Eliot A. Cohen, “The Silence of Rex Tillerson,” *The Atlantic*, April 4, 2017, <https://www.theatlantic.com/please-support-us/?next=https%3A%2F%2Fwww.theatlantic.com%2Finternational%2Farchive%2F2017%2F04%2Frex-tillerson-state-department%2F521793%2F#seen>.

struggle to resume growth, as the world's major economies slowly recover from the 2008 crisis and work through sharp increases in public sector debt.”⁶⁹

Implementing a strategy requires mobilizing resources (including all the tools of national power) to pursue desired goals. Every American president must balance domestic and international priorities. Presidents also have to find a balance between a reactive foreign policy, where the actions of others drive U.S. priorities (as did the 9/11 terrorist attacks) and one that seeks to shape outcomes. A true grand strategy places the emphasis on the latter but not always to good effect, as demonstrated by George W. Bush's policy of “preemption,” laid out in his 2002 National Security Strategy.

Typically, the U.S. decision making process is so cumbersome that “reaction” is the norm; “shaping” is the exception. As the Trump administration's transition continues to unfold, and key personnel are replaced, current policymakers are barely managing to keep their heads above water and genuine attempts at shaping are frequently usurped by a president who acts on impulse, without consultation with advisors or allies. It seems unlikely that this president, who appears wedded to transactional foreign policy approaches to challenges, untethered to larger strategic purposes other than satisfying his political base, will commit to a coherent grand strategy. Therefore, what follows is directed at President Trump's successor, as much or more as it is to him.

Derek Chollet, who served in senior positions in the State Department, White House, and Pentagon in the Obama administration, in comments made to the author after ISD's April 2018 roundtable, usefully emphasized the distinction between “anticipation” of broad trends and their implications and the

⁶⁹ National Intelligence Council, *Global Trends, Paradox of Progress*,” p.12.

development and implementation of broad strategy. The anticipation role is properly the province of the IC, the State Department's Policy Planning office, and DoD's Joint Staff and Office of Net Assessment and Chairman's Action Group (CAG). The development of strategy, in contrast, is managed by the NSC through the interagency process.

The next president of the United States, both to avoid surprise and shift policies in a proactive, anticipatory direction, will first have to empower both intelligence and policy agencies to refocus their efforts on strategic anticipation and positioning.

Redirecting the IC

Jennifer Sims, in follow-up comments to the April 2018 meeting, emphasized the importance of “decision advantage,” arguing that “the critical constant is strategic intelligence, which involves the dynamic sorting of friend and foe and the selection of favorable grounds on which to ally or fight so strategy tilts the ‘terrain of uncertainty’ in one’s favor.” Sims goes on to suggest that strategic intelligence and counter intelligence are among the United States’ greatest weaknesses.⁷⁰

The National Intelligence Strategy of the United States of America, released on September 17, 2014, identified four topical “mission objectives”: cyber intelligence; counterterrorism; counter proliferation; and counterintelligence. It cited the IC’s responsibility to provide not only intelligence for “current operations” but also “strategic intelligence” (“inform and enrich understanding of enduring national security issues”) and anticipatory intelligence (“detect, identify, and warn of emerging issues and discontinuities”). However, there is little doubt that the weight of

⁷⁰ Jennifer Sims is Non Resident Fellow, Chicago Council on Global Affairs.

the IC's effort has been and will likely continue to concentrate on the four core missions and on "current" intelligence.⁷¹

Several years ago, the NIC abolished the position of national intelligence officer for warning, in the belief that it is the responsibility of all analysts to provide warning of impending dangers. (This decision was criticized by those who feared that analysts can be captives of their assumptions and benefit from having those assumptions challenged by an independent warning function.) In addition, in 2010 the Office of the Director of National Intelligence established a parallel structure to the NIC, called National Intelligence Managers. What was gained by improved attention to collection priorities may have been lost by a personality-driven structure that invited turf battles and confused policymakers unaccustomed to the peculiarities of the ODNI organization chart.

In 2015, CIA Director John Brennan described a reorganization plan to stand up "Mission Centers that will bring the full range of operational, analytic, support, technical, and digital personnel and capabilities to bear on the nation's most pressing security issues and interests."⁷² The model for this reorganization was the CIA's Counterterrorism Center. While this effort at modernization is still unfolding and is facing adjustments under new directors, concerns have been expressed that these "centers" will further drive the emphasis on the tactical over the truly strategic.

Structural fixes may or may not improve performance in an intelligence community that has become a lumbering behemoth, however dedicated and hardworking its employees. The intelligence community devotes too much time to "point" warnings, meaning the attempt to identify triggers that could drive events in a certain

⁷¹ *The National Intelligence Strategy of the United States of America*, 2014, p. 2.

⁷² "Unclassified Version of March 6, 2015 Message to the Workforce from CIA Director John Brennan: "Our Agency's Blueprint for the Future."

direction. In part this is because “evidence” can be marshaled and footnoted to support a specific possibility (for example, will Saddam invade Kuwait or will Putin take over Crimea?). The risk is that the focus on the specific example takes attention away from “system shocks” or cascading effects of given events or actions. The IC is much more comfortable dealing with boxes labeled “Syria” or “ISIS” or “Ukraine.” **Indeed, for the most part, policymakers are interested in getting input from the IC on specific problems rather than on broad trends.** Policymakers are eager, as Neustadt and May have pointed out, to get to “what do we do” before asking “what is the problem?” (Some argue that the Obama administration suffered from the opposite drawback—too much contemplation and discussion and not enough decision making and implementation. Particularly in the Middle East, President Obama found persuasive reasons not to act.)

However, if Peter Schwartz is correct in predicting that the future will be characterized by connected crises, then the practice of policymakers taking one “case” at a time may be obsolete. Addressing broader questions and second- and third-order effects will become essential. The next president will need to know not only “the likelihood that Putin will intervene in the Baltic States using irregular forces”—but also answers to a full range of other related questions:

- What would be the global consequences of a further sharp deterioration in U.S.-Russian relations?
- Which allies would be with the United States?
- Will fundamental differences with the United States on trade and other issues diminish the willingness of U.S. allies to support Washington against Moscow?
- What policy tools would Washington have available to it to respond to the range of challenges emanating from Moscow?

- Can these “tools” be properly resourced?
- Would U.S. responses to Moscow drive China and Russia together?
- What U.S. policies might drive traditional U.S. allies toward Russia and China (for example, the U.S. pulling out of trade and nuclear agreements or sanctioning Turkey)?

Such questions are posed within certain elements of the IC but are not generally part of mainstream analysis. Moreover, they fly in the face of an unwillingness of policymakers to dwell on high-impact, low-probability questions—until they happen. (Appendix 2 of this paper offers additional examples of such “what if” questions.)

Paul Pillar is right in arguing that intelligence “cannot eliminate uncertainty and it cannot prevent all surprises, including some big ones. Leaders must accept this reality; they must expect—and prepare—to be surprised.”⁷³ But the IC can be very useful in laying out alternative scenarios to alert policymakers to potential contingencies. Specific steps that would improve IC strategic performance include:

- **Break down existing barriers (red lines) between policy and intelligence.** Other countries do this productively. Make it easier for the IC to offer and weigh specific policy choices. Final decisions would, of course, remain in the hands of policymakers.
- **Reemphasize “outreach” in the IC.** The intelligence community has engaged in systematic self-isolation and only enlightened leadership can rebalance legitimate concerns about security with the absolute necessity for analysts to engage broadly with experts beyond perimeter

⁷³ Paul Pillar, “Think Again: Intelligence.”

fences. (This writer has encountered too many instances of policymakers meeting with visiting foreign and U.S. experts, who do not, in turn, meet with IC analysts.) The IC, quite simply, is not privy to much input that policymakers routinely receive.

- **The IC should be empowered to more systematically factor into their analysis the U.S. as a geostrategic variable.** This would entail building in-house expertise on trends in the United States that may affect its international performance and standing.
- **The IC needs to be empowered and encouraged to collect intelligence beyond policymakers' taskings.** If anticipation is to be genuinely valued, it must be resourced and rewarded.

Redirecting the Policy Community

The U.S. government lacks what can be called “criteria for choice” for ranking its national security priorities. Indeed, former NSC staffer Paul Miller argued that “the United States’ national security establishment lacks an integrated strategic planning capability.”⁷⁴ By most measures, such as economic weight and growth potential, the presence of a peer competitor, and treaty alliances, U.S. interests in Asia far exceed its interests in the Middle East. Yet, American policy officials have allowed themselves to be consumed by the Middle East since the 1990s, arguing that the U.S. has enduring commitments and interests in the region and has an obligation to stay heavily engaged, given lives lost and resources expended over recent decades. U.S. leaders have been consistently

⁷⁴ Paul Miller, “Organizing the National Security Council: I like Ike’s,” *Presidential Studies Quarterly* Volume 43, Issue 3 (July 24, 2013) Center for the Study of the Presidency.

unable to answer the question posed by General David Petraeus years ago in Iraq: “Tell me how this ends?” **Confusion about U.S. goals in the Middle East and South Asia have been a constant feature of U.S. policies. (If we are in Afghanistan to protect our homeland, why are we fighting the Taliban—which poses no direct threat to the United States and views the Islamic State as an enemy?)**

But, in truth, the U.S. has largely been reacting to events in the region for 20 years, rather than shaping them. President George W. Bush’s attempt at shaping failed miserably. President Obama was ultimately no more creative than his predecessor, while being visibly unpersuaded by the charms of the region and its leaders. His Middle East policies were ultimately hesitant and indecisive. The Trump administration, though staffed at least initially with current and retired senior-level military officers with significant Middle East/South Asia experience, risks doubling down on failed decisions of the past. The very fact that critical U.S. diplomatic posts in the region remain without ambassadors in 2018 speaks to an administration more interested in blunt force than diplomacy. President Trump, himself, seems profoundly ambivalent about U.S. commitments in the region.

By definition, given constrained budgets, Americans will have to accept higher risk in the Middle East if the United States is to shift resources and attention to Asia, while also responding to growing challenges from Russia. Risk identification and management are critical to grand strategy.

Effective national strategy requires getting past the present and positioning the country for the future. The bizarre, politicized, and endless congressional debate over the 2012 attack on the U.S. facilities in Benghazi, Libya demonstrates the risks of not doing so. U.S. missions and personnel have been attacked many times in the

past without partisan fault-finding consuming national attention. To prevent such attacks in the future, U.S. Marines were added to embassy security details in war zones. However, this will do little to protect those missions when precision strike weapons migrate into terrorist hands. Bad guys will not be coming over embassy walls; they will be firing rockets from far away. **An anticipatory approach to embassy security would imagine a Middle East where no U.S. facility—base or embassy—is safe from precision strikes. How should the United States project influence in such a region?**

The Obama administration issued a national security strategy in May 2010. It was substantively thin—more public relations than insight. The administration issued its second and last national security strategy in February 2015—too late in the Obama second term in office to provide real guidance to the agencies of government. It was intended primarily as an aspirational listing of priorities for the last years of the Obama administration. The Trump NSC, under H.R. McMaster, produced a national security strategy in record time. However, by March 2018 McMaster was fired and his deputy national security advisor for strategy had left government, leaving many questions about the president's commitment to the security strategy issued by his administration.

President Trump or his successor must measure his or her time extremely carefully. The overwhelming preference of most presidents is to take on issues as they come up to the Oval Office through the bureaucracy. Questions that emerge from the White House directed at the rest of the bureaucracy tend to be tactical rather than strategic. The bureaucracy responds with issues taken as they mature, or when a surprise jolts the system.

Of course, there are exceptions. President Nixon and Henry Kissinger circumvented the bureaucracy in reaching out to China.

President Carter personally drove the Camp David peace process. President George W. Bush insisted that the United States lead in responding to HIV/AIDS in Africa. President Obama made strategic decisions on normalizing relations with Cuba, on holding nuclear negotiations with Iran, on lowering the U.S. footprint in the Middle East, and on “rebalancing” or “pivoting” towards Asia. President Trump, perhaps more than his recent predecessors, is imposing his views on his bureaucracy on a range of issues from climate to trade.

The White House, in recent decades, has paid insufficient attention to strategic planning. It is precisely in a well-staffed, resourced, and continually functioning strategy office that responsibility for anticipating surprise and identifying options for the United States to position itself to address contingencies should be lodged. Such an office should task the bureaucracy to provide relevant input. Any president who wants and demands more strategic and anticipatory analysis from the bureaucracy and the intelligence community, in particular, will get it—if it is prioritized. (That is the positive side to the IC being so focused on “customer service.”)

As Chester Crocker, a practitioner-academic with deep government experience, observed, **“If despite all best efforts, strategic surprises are inevitable, then it becomes imperative to do everything possible to build the possibility of surprise into the planning process and to focus particular effort on coping with and managing its potential effects.”**⁷⁵

The place to begin is with core assumptions held both inside and outside of government about the world, and the U.S. place in it. Then we need to ask what could threaten those assumptions. We need to

⁷⁵ Chester A. Crocker, “Reflections on Strategic Surprise,” in Patrick Cronin (ed.), *The Impenetrable Fog of War: Reflections on Modern Warfare and Strategic Surprise* (Westport, Connecticut: Praeger Security International, 2008), p. 183.

ask specifically how U.S. actions and policies—withdrawing from the Iran nuclear agreement or challenging our closest allies on trade issues, for example—may have unintended effects.

Special attention should be paid to the issue of continuity in strategic planning from one administration to another. As noted earlier, the period of greatest vulnerability for the United States comes during the period of transition from one administration to another. It is not widely appreciated that when President Obama left office, every piece of paper and every email and memo on the White House computers, going back eight years, went with him to his presidential library—although briefing papers were passed on to the new administration. This practice is not conducive to building continuity of effort from one administration to the next, and time-limited transition teams cannot fill the resulting gap.

These challenges were compounded by a hostile takeover from Obama to Trump and by the historically slow appointment and confirmation process for Trump administration officials below the cabinet level. (It is worth noting that the agencies least disrupted by transitions of administrations are in the IC, because so few senior positions are filled by political appointees.)

Finally, the elephant (no pun intended) in the room is our domestic political dysfunctionality. Enough ink has been expended on bemoaning the crisis of governance that exists in Washington today. The pertinent question is: **Can a superpower remain a superpower if the Congress operates on continuing resolutions and sequesters vital national security funds?** Can America lead going forward if its president systematically criticizes U.S. allies and demeans their leaders? This sort of political gridlock might have been tolerable in an era when the United States had overwhelming power. It is no longer a luxury America can afford. The threats we

face—surprising and not—demand resiliency, being ready for contingencies, and having a surge capacity to face the unexpected.

This is not the place to catalogue possible executive branch improvements, besides the major recommendation outlined below. Many, of course, are embedded in the analysis offered thus far, in particular, leadership that values foresight. Such “leadership” would empower the IC, as suggested above, but could also:

- **Reinvigorate the State Department’s analytic and reporting functions.** Moreover, the Policy Planning Staff in State should once again be charged with the strategic planning function that was so consequential during the George Kennan era.
- **Planning functions in other departments (e.g., Treasury, Energy, and Commerce) need to be boosted so that perspectives from these agencies can be considered alongside those of DoD.**
- **Future administrations should emulate the Trump administration’s rapid release of the National Security Strategy.**
- **Great attention needs to be devoted to identifying the budgetary implications of possible policy options.** This means bringing OMB into consideration of options early in the process.

5. Rethinking Strategic Planning

Will the imperatives of constricted budgets and rising risks of systemic crisis and surprise drive the United States to better approaches to anticipation and preparation? If so, what can and should be done? The first question obviously depends on presidential leadership, but the second deserves careful consideration in hopeful anticipation of improved presidential leadership in the future.

When did the United States plan effectively? This question came up in the ISD roundtable discussion. Mention has already been made of George Kennan’s Policy Planning Staff. NSC-68, produced by the Policy Planning Staff of the State Department during the Truman administration (and after Kennan’s departure) and issued as a classified document in April 1950, was described by the Office of the Historian of the State Department as “among the most influential documents composed by the U.S. Government during the Cold War.”⁷⁶ This was followed in 1953 in the Eisenhower administration by Project Solarium—a focused, senior-level strategic review. President Dwight Eisenhower also established the Planning Board, attached to the NSC, with senior members drawn from relevant agencies and responsible for long-term planning and analysis.⁷⁷ Paul Miller describes the function of the Planning Board as providing “realistic planning from the agencies that was not captive to parochial interests” and “foster[ing] a national, strategic mindset

⁷⁶ U.S. Department of State, Office of the Historian, “Milestones: 1945-1952,” <https://history.state.gov/milestones/1945-1952/NSC68>.

⁷⁷ “Report by the Special Assistant to the President for National Security Affairs (Cutler)” March 16, 1953—Report of Recommendations Relative to the National Security Council.”

without falling prey to an ivory-tower mindset divorced from reality.”⁷⁸

Henry Kissinger drove the bureaucracy, when he was national security advisor, to prepare anticipatory reviews. The Reagan and Bush (41) administrations did so as well.

Unfortunately, administrations sometimes see the need for planning and anticipation later rather than earlier in their time in office. On August 28, 2008, the Bush (43) administration issued National Security Presidential Directive/NSPD-60 “Establishing a National Security Planning Committee.” Five months later the Bush administration left office, and the Obama administration did not pick up this good effort to “bring “together policy planning bureaus from United States Government departments and agencies to analyze national security challenges and opportunities that lie beyond the near term, and to recommend coordinated policies.”⁷⁹ The Obama administration had a similar slow learning curve—empowering the Deputies Committee in the closing years of the administration to consider long-term contingencies. In fact, the Obama administration—including the president—in its last two years in office engaged in a good deal of creative strategic brainstorming. Then came the 2016 elections, effectively ushering into office a radically different mindset about America’s role in the world.

There is a tendency among Americans to believe that something or someone will always emerge to rescue the United States from its

⁷⁸ Paul D. Miller, “The Contemporary Presidency: Organizing the National Security Council: I Like Ike’s.” See also Aaron L. Friedberg, “Strengthening U.S. Strategic Planning,” in Daniel W. Drezner (ed.), *Avoiding Trivia: The Role of Strategic Planning in American Foreign Policy* (Washington, D.C.: Brookings Institution Press, 2009) Raymond Millen, “Cultivating Strategic Thinking: The Eisenhower Model,” *Parameters*, Summer 2012.

⁷⁹ The White House, National Security Directive/NSPD-60, August 28, 2008.

mistakes.⁸⁰ Americans count on technological innovations to deliver a way out of economic difficulties, for instance. Sometimes they do. The technology-driven shale oil and gas revolution has unexpectedly eased U.S. dependence on imported petroleum and helped lower global petroleum prices. The latest technological “fix” to uncertainties about the future is said to be “big data.” We will see whether use of big data leads to a significant improvement in analysis and anticipation. But all the big data in the world will not solve the “future avoidance” tendencies of U.S. decision makers. Americans across the political landscape yearn for “responsible” leadership—though opinions vary widely as to who might provide such leadership. Americans also rely on overwhelming power to shock and awe adversaries into submission. Apparently, the Taliban have not gotten the message nor, it seems, are the Russians and Chinese overly impressed with U.S. power. Time after time from Vietnam to Afghanistan, U.S. decision makers have provided evidence that they are less committed to positive outcomes than are regional competitors. But “commitment” is not enough—knowing when to double down and when to cut losses is critical to the preservation of power and influence.

Quite simply, the U.S. must take the burdens of global leadership more seriously or go the way of past great powers.

This paper has pointed out the limitations of the IC, which has become overly bureaucratic, self-isolated, and consumed by tactical matters at the expense of anticipatory and strategic intelligence. The IC remains preoccupied with its counterterrorism and counter proliferation missions. Its component agencies, and the CIA in

⁸⁰ One can be reminded of the observation, wrongly ascribed to Winston Churchill, that, “the American people always do the right thing after they have exhausted all other options.” Abba Eban, the long-serving Israeli foreign minister, is often credited with this insightful observation.

particular, place significant barriers in the way of “outreach” to the best thinking beyond the IC.

There are, of course, IC elements charged with providing strategic insight—the NIC, in particular—but dual NIC responsibilities for tactical and strategic intelligence diminish its performance in focusing on strategic anticipation. Moreover, in the best of times, with the best of intentions, it is hard for the IC to factor into its analysis serious assessments of the United States as a global actor or to offer concrete policy options, including associated budgetary implications of identified options—an essential component of strategic planning.

The NIC does regularly conduct analytic, role-playing “games,” which include representatives from policy agencies as well as outside experts. U.S. actions and reactions figure into these exercises. These strategic games are very useful contributions to identifying alternative possibilities, but they do not cover the waterfront of what the IC could and should be producing.

The NIC “peer” review process in which senior NIC officers (National Intelligence Officers and their deputies) review the draft written products of their colleagues should provide a template for other government agencies on how to bring global insights to bear on particularly vexing analytical issues.

The IC’s contribution to constructing a national strategy is absolutely essential but necessarily circumscribed.

No individual cabinet department can reasonably claim the expertise to mobilize and lead a whole-of-government approach to strategic anticipation and planning. Thinking strategically entails special skills not generally nurtured in bureaucracies defined and circumscribed by their regional and functional bureaus.

The fundamental problem, as this paper has emphasized, lies with policymakers, who are so consumed by their immediate concerns that they give little sustained attention to foresight. **Even when the IC produces strategic analysis, the challenge of engaging policymaker attention remains.**

As noted above, scattered throughout the U.S. government are offices responsible for anticipatory analysis and foresight. However, these offices and IC elements, devoted to strategic analysis, are not stitched together by a common strategic vision and are not linked effectively and continually. Moreover, as noted, departments such as Treasury and Energy operate at a disadvantage since they lack robust planning functions.

Ultimately, vision and leadership must come from the White House, with a well-resourced office to organize and drive the process.

This new office should have the following elements:

1. **Clear presidential authority and support**—without presidential “buy in,” such an office cannot be established and will not succeed. Moreover, succeeding presidents will also need to be persuaded of the benefits of continuity and foresight—hardly a foregone conclusion. The director of the office would be appointed by the president.
2. **A small but highly qualified staff** drawn from across the U.S. government and including respected experts from the private sector. There is no magic “right” number but notionally a dozen seasoned individuals, who are prepared to make a commitment of three or more years to the enterprise, would seem a reasonable number. (By way of contrast, the NSC strategy offices in the Bush and Obama administrations had three or four relatively junior staffers, who rotated out after a year or two.)

3. **Notionally, the strategy office would report to the assistant to the president for national security affairs**, but its staff should be separately resourced and supported. (Congressional agreement would therefore be required.) It should have clear tasking and convening authorities. IC elements would necessarily provide much of the ongoing analytical work of the office. Logically, the office could be tasked by and would report findings to the NSC Deputies Committee.
4. **The White House strategy office would provide ongoing coordination** with not only planning counterparts in relevant U.S. agencies but also with foreign organizational counterparts in the UK, Israel, Singapore, Australia, and other partner governments.
5. **The strategy office would initiate strategic inquires, would respond to taskings**, and would have clearly identified “deliverables,” including leading the production of national security strategies.
6. **The strategy office would devote significant attention to how domestic factors, including budgetary constraints**, may or may not impact U.S. national security choices. Clearly, one or more staff members would have to possess significant expertise on the United States.
7. **The strategy office would not be responsible for day-to-day tactical warning** and would not oversee implementation of decisions taken. However, strategy office staff would have to be engaged participants in the daily deliberations of the NSC staff so that their analyses were relevant to the ongoing work of the Council. Moreover, in keeping with the Planning Board model, strategy office staff would be linked effectively into the deliberations of major departments of government.
8. **Critically, the office would not expire when an administration leaves office**—though, of course, the incoming president would retain the right to replace its members and ignore its findings. The president may well see advantages to

having an institutionalized locus of continuity in place during transitions and beyond.

This office should produce the analyses that will assist the new administration get up to speed and drive the process that would lead to a classified national security strategy, blessed by the president and published during the first year of the president's term. Its work should be classified so as not to pander to international audiences or domestic constituencies. Such a strategy would guide the bureaucracy for the balance of the presidential term or until amended. It should precede the national defense strategy.

Professor Colin Dueck, who has written insightfully on the issue of strategic planning, noted correctly that “the beginning of a new administration is exactly the right time (to produce) a serious national security strategy.”⁸¹ The dilemma, of course, is that unlike the Eisenhower era, a new administration rarely has its senior national security team fully in place until late in its first year in office. Moreover, if there has been a change in party control, the new team (whether Democrat or Republican) is fresh off the campaign trail and frequently is driven by campaign promises and ideological preferences and not necessarily by substantive knowledge. The advantage, therefore, of a permanent strategy office, made up largely of career officials from across government, is that the job of anticipating challenges and teeing up policy choices can be carried out by knowledgeable bureaucrats, who will, after all, be reporting to and through political appointees as the new administration staffs up.

It is worth underlying that a critically important responsibility of such an office would be, on a continuing basis, to bring together the

⁸¹ Colin Dueck, “Strategic Planning for the Next President, Part Two: Recommendations for the NSC Process,” Foreign Policy Research Institute, E Notes, January 2016.

various strategy offices across the federal agencies so that a truly whole-of-government approach to strategic insight prevails. For example, the IC would be eager to pursue the gaming and red teaming activities that can be so useful in challenging assumptions and identifying risks and opportunities. Robert Cutler, who was President Eisenhower’s special assistant for national security affairs, emphasized the role of the Planning Board, “[m]ore important than *what* is planned is that the planners *became accustomed* to working and thinking together on hard problems; enabling them—when put to the ultimate test—to arrive more surely at a reasonable plan or policy.”⁸²

It is precisely because some surprises—natural disasters, for example—cannot be anticipated that having a group from across government accustomed to working problems together can contribute to national resiliency.

There are, of course, a number of important objections to the concept put forward here.

- (1) **The yawning gap between the foreign policy views of the outgoing Obama administration and the incoming Trump administration** (and the president himself) provides a clear demonstration that an incoming administration may not always value continuity of policy and analysis.

Unfortunately, this objection is valid. The Kennedy administration abandoned many of the planning processes utilized in the Eisenhower administration with, some will argue, unfortunate results. It is

⁸² Paul D. Miller, “The Contemporary Presidency: Organizing the National Security Council: I like Ike’s.”

difficult to argue that the Trump administration's departures from the mainstream policies on trade and other issues established over successive Republican and Democratic administrations have enhanced America's role in the world over the past year. If, however, "Trump-like" leadership for America has become a new normal then a permanent strategy office would logically be a bridge too far.

- (2) **We do not need yet another bureaucratic "fix"** for what is fundamentally an issue of presidential leadership. If a president wants strategic analysis, goes the argument, the bureaucracy will mobilize to provide it and the existing NSC structure can be adjusted to respond to what a president seeks. An enhanced "strategy" office would simply be one more burden on a NSC system already accused of micromanagement. It would duplicate work that could/should be done by the existing Deputies Committee.

Again there is validity in the argument, but it is not at all clear that the modern NSC staff, which has become very operational and relies heavily on short-term detailees from executive agencies, could respond effectively to a president interested in strategic analysis. One probably has to go back to the Bush/Scowcroft and Nixon/Kissinger eras to find periods when this was done reasonably well. Moreover, the Deputies Committee and its senior members are already overburdened with day-to-day management and decision responsibilities.

- (3) **No president would want to be told by a predecessor that he/she should accept a “permanent” office in the Executive Office of the President.**

Of course, one already exists established by statute—the Office of Management and Budget (OMB), which offers a model for what a strategy office might look like. The professional OMB staff serves the president and White House appointees, providing budgetary options to administrations, whatever their ideological preferences.

The ISD roundtable generated a number of alternative options to the recommendation put forward here. These included:

- Charging and empowering the NSC Deputies Committee, as was done during the latter days of the Obama administration.
- Infuse “strategic thinking” throughout the administration—essentially by presidential decree.
- Refocus government on anticipatory action. (Paul Stares, at the Council on Foreign Relations, has written insightfully on this topic.⁸³)
- Establish a dedicated strategy office—but not in the White House. Variations might be modeled on the Defense Policy Board or the President’s Intelligence Advisory Board (PIAB).
- Enhance and empower the existing NSC strategy office.

⁸³ Paul B. Stares, *Preventive Engagement: How America Can Avoid War, Stay Strong, and Keep the Peace* (New York: Columbia University Press, 2017).

All of these suggestions have merit and accept the underlining premise of this paper that the United States must regain the capacity for strategic planning and anticipation.

The ultimate decisions about organization, mandate, and focus of a White House-based strategy office will reside with the president of the United States. If the president has little interest in or commitment to anticipation and foresight, then the bureaucracy—including the intelligence community—will act accordingly. In an era of rising risk and potential for surprise, this could be a costly mistake.

Appendix 1: “What If” Questions of Strategic Importance

In his memoirs, Secretary of State Dean Acheson recalled that his predecessor, General George Marshall, defined strategic planning as being able to “look ahead, not into the distant future, but beyond the vision of the operating officers caught in the smoke and crises of the current battle; far enough ahead to see the emerging form of things to come and outline what should be done to meet or anticipate them.”⁸⁴

Below are examples of under-addressed questions that could be incorporated into a rigorous planning process, orchestrated out of the White House, with focused input from the IC and other agencies of government as well as non-governmental entities. These examples are organized under the headings introduced earlier in this report. It is important to emphasize that **a robust planning process would not only consider the possibility of tactical, systemic, or tectonic surprises or transformations, but also the possible cascading effects that could follow such surprises.**

- **Tactical (abrupt, hostile, deliberate, or accidental actions by an adversary):**
 - Conflict that begins either as an accidental military encounter that escalates or as a destructive cyber-intrusion between forces not formally at war but positioned to go to war. Possibilities include U.S. and Chinese forces in the South China Sea, forces on the Korean Peninsula, Russian and NATO forces, Indian and Pakistani forces, and Iranian and Hezbollah and Saudi or Israeli militaries.
 - Terrorist attack on a U.S. base or facility in the Middle East that is carried out from a distance, is accurate and lethal, and exposes the growing vulnerability to attack of all American fixed assets in the Middle East.
 - Multiple successful terrorist attacks against Gulf Cooperation Council countries, demonstrating that al-Qaeda or the Islamic State have succeeded in breaching the Gulf security wall, and placing at risk the energy resources and

⁸⁴ Quoted in Richard N. Haass, “Planning for Policy Planning,” in Daniel W. Drezner (ed.), *Avoiding Trivia*, p. 23.

exports of these countries. (Such attacks become all the more dangerous when the Gulf States are not cooperating on security matters, as is the case today with the isolation of Qatar.) Note: Even unsuccessful attacks could drive up insurance rates for oil tankers and other ships moving through the Straits of Hormuz.

- Significant cyberattacks on the U.S. homeland that either cripple critical infrastructure assets, such as elements of the U.S. power grid, or place at risk financial institutions or payment systems.

- **Systemic shocks (where, for example, a critical leader, an important economy, or state suffers a sudden reversal of fortune):**

- The Eurozone crisis reemerges, first with the UK exit from the European Union, followed by other members. Germany is unable to lead, given a weak coalition government. NATO cohesion erodes, and particularly support for Russian sanctions, in the face of economic weakness in the Eurozone. Russian gas pipelines and Russian active measures provide leverage to Moscow to exacerbate Western Europe's problems.
- There is a complete collapse of the Venezuelan state and Venezuelan energy production, with resulting refugee flows. (This is happening as this report is being written.)
- Internal weakness—economic or political—becomes the new reality in Russia and/or China, probably occasioned by domestic economic setbacks but evolving into serious political instability with mass unrest.
- The Israeli political center moves progressively further to the right and in the direction of diminished democratic rights for minorities and full absorption of the territories occupied in June 1967. Palestinians react by demanding full citizenship rights. Civil unrest becomes the new normal for Israel.
- The nuclear agreement with Iran collapses, undermined by U.S. policies. Iran gives evidence of moving towards being capable of deploying nuclear weapons. Russia and China side with Iran, and Europeans are ambivalent in light of U.S. contributions to the collapse of the agreement. Saudi Arabia explores its nuclear options with Pakistan.

- Turkey makes a decisive turn towards Russia, dropping its membership in NATO.
- President Trump initiates a military conflict and finds the U.S. without significant allied support and very little U.S. public support.

- **Tectonic transformation (extended processes that create entirely new realities):**

- A significant number of the world's largest aquifers effectively pass their sustainability tipping points (when more water is removed than can be replaced), putting at risk access to fresh water for large urban populations around the world.
- Antarctica's ice sheet melt continues to accelerate sea level rise and potentially catastrophic consequences for coastline inhabitants around the world.⁸⁵
- A global health pandemic escapes detection before it can be effectively brought under control, and mass casualties occur, with devastating economic consequences.
- Provocative measures taken by the Trump administration on trade issues and continued criticism of NATO burden sharing contribute to the refusal of the American people and their elected representatives to support the expenditures necessary for the institution-building efforts that characterized U.S. global engagement during the Cold War. Growth in entitlement spending forces sharp reductions in U.S. defense spending. The U.S. effectively abandons its leadership role around the world and the Western alliance unravels.

⁸⁵ Chris Murphy, "Antarctic ice loss has tripled in a decade. If that continues we are in serious trouble," *The Washington Post*, June 13, 2018.

Appendix 2: What Surprises Have Happened Since 2010?

All of these events came as surprises to policymakers, but none could have been easily or fully anticipated before the fact—either because they were contingent on leadership choices (Putin and Xi), arose from not fully appreciated state weakness (Iraq and Syria), or were emerging trends that had not yet reached tipping points (Chinese economic performance; enduring low global energy prices; and Trump’s appeal to an unhappy segment of the U.S. electorate.) But all of these issues would have benefitted from broader “strategic” and anticipatory analysis, which was “possibility based” rather than evidence based—not to predict the future but to anticipate future possibilities.

- Rapid decline in annual Chinese GDP growth and the resulting negative ripple effects through a global economy adjusting to lower Chinese demand.
- Up to 70% drop in petroleum prices beginning in the summer of 2014, leading to anticipated and unanticipated effects—lower prices for consumers but relatively little economic “bump” for the world economy; debt pressures on companies operating in the petroleum industry, including U.S. producers; financial pressures on oil-producing states (Russia, Saudi Arabia, Venezuela, Iraq, etc.) with potential political consequences; and rising tensions within OPEC.
- The Islamic State’s ability to take and hold territory and attract recruits—including through innovative use of social media.
- The vulnerability of “strong” authoritarian leaders in the Middle East.
- Russia and China’s willingness, within “their” regions, to challenge existing norms—Russia in Ukraine and China in the South China Sea.
- The speed and magnitude of refugee flows from the Middle East and Africa to Europe in 2015, with ripple effects in European politics.
- The degree to which the United States has become a geopolitical variable contributing to foreign perceptions of self-imposed limits on U.S. engagement and leadership.
- The political rise and success of Donald Trump in the Republican Party and nationally.
- The extent of Russian interference in the 2016 U.S. elections.

Appendix 3: Thucydides's Trap

This diagram is inspired by Graham Allison's 2017 book, [*Destined for War: Can America and China Escape Thucydides's Trap?*](#) But it is not drawn from that book, per se. It is offered here as an illustration of how and why planners need to anticipate alternative futures when uncertainty is high and when it is impossible to answer the question: "Tell me how this ends?"

KEY UNCERTAINTIES

1. The economic, political, and military evolution and aspirations of the "rising power" [China]
2. The economic, political, and military evolution of the "established power" and its willingness to accept shared power [United States]

ALTERNATIVE FUTURES

- **World War I Again** (The rising power matches and threatens the established power, which, in turn, shifts to a competitive stance with respect to the former.)
- **The New Balance** (The power equation shifts decisively in favor of the rising power, if only in its immediate region, forcing the established power to choose between accommodation and confrontation.)
- **The Old Balance—Renewed** (The "rise" of the emerging power is reversed by deteriorating domestic factors, while the established power restores its historical strengths.)
- **Diffusion and Confusion** (Both powers struggle with domestic reversals and weakening geopolitical influence.)



